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NEWS SUMMARY

GENERAL

Higher defence spending planned

The Government's White Paper on Defence confirms plans for increased spending in the 1980s.

The paper foreshadows further orders for the defence equipment industries and reveals that more than £4.75bn of a total 1980-81 budget nf £10.78bn is earmarked for equipment.

Also outlined in the paper are personnel policy changes the Government is considering, including the possibility of arming women in the forces for self-defence.

Back Page; Details, Page 8; Feature and Editorial Comment, Page 18

Employment Bill 'tightened'

The Government has revised its proposals on restricting secondary industrial action. A new clause to the Empolyment Bill meets industry's demands to close "loopholes" nn immunity. Parliament, Page 8

'Name BSC leak'

Granada Television must name the person who leaked confidential BSC documents to it, a High Court judge ordered. Page 6

Sick pay plan

Employers would have to pay at least £30 a week to employees in the first eight weeks of sickness, under Government proposals published in a Green Paper. Back Page; Parliament, Page 8

Carter victories

President Carter scored impressive victories in the Wisconsin and Kansas Democratic Primaries, dampening Senator Edward Kennedy's hopes and forcing California Governor Edmund (Jerry) Brown to quit the race. Page 3

Windfall law

President Carter signed the windfall profits tax bill, intended to divert funds from oil companies to energy conservation projects.

EOKA deaths

Three Greek Cypriots were killed when a bomb they were carrying went off prematurely at the British Air Force Akrotiri base. *They* were members of the EOKA movement for nnion with Greece, police said.

Irish arms cache

Police in the Irish Repnblic found an arms cache in a concrete bunker near Drogheda, about 40 miles from the Ulster border.

Hospital walkout

Half a million Italian hospital workers and 80,000 doctors went on a one-day strike yesterday, demanding better pay and a new employment contract.

Ashes to ashes

A cigarette takes five minntes off a smoker's life, Sir George Young, junior Health Minister claimed, backing next Monday's World Health Organisation Anti-smoking Day.

Briefly . . .

Soviet ice hockey trainer blamed the team's Olympic defeat on a shortage of sticks and facilities.

Air Zimbabwe has started direct London-Salisbury flights.

London Zoo's giant panda Ching Ching is critically ill.

PUBLISHER'S NOTICE

The Financial Times will not be published tomorrow, Good Friday, or Easter Monday, April 7. It will be published on Saturday, April 5 as usual.

BUSINESS

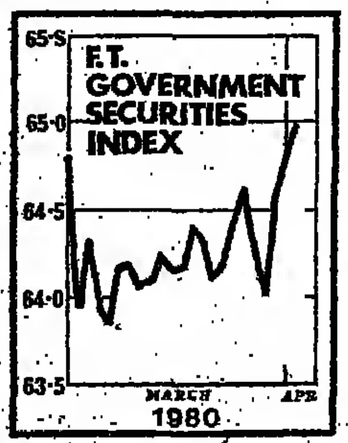
Dollar recovers sharply; £ firmer

● *DOLLAR* finished belnw the previous day's level, but recovared sharply during the afternoon on news the further rises in U.S. prime raies. It closed DM 1.9510 (*DM* 1.9765), after reaching a low of DM 1.9450. Its trade-weighted index was 91.6 (91.8).

● STERLING was firmer and rose to a peak of $2.1610, but with the dollar's recovery it fell back to close at $2.1550, a rise on the day of 1.25c. Its index was 72.7 (72.3).

● GOLD closed $2 down in London at $501. Trading was subdued.

● GILTS remained firm, with *gains in longs of up to* ¼. The



Government Securities Index put on 0.16 to 64.98, its highest point since February 28.

● EQUITIES were helped by the ending of the steel strike, but trade was slow ahead of Easter. The FT 30-share index closed 0.3 down at 432.1. The Gold Mines Index closed up 5.3 at 284.7.

● WALL STREET was np 5.89 at 790.36 before the close.

● BANK OF JAPAN governor, Haruo Maekawa, warned speculators not to assume that the yen's slide this week would continue. Page 4

● BANK OF ENGLAND has accorded the status of "recognised banks" to 200 leading UK and foreign banks under terms nf the 1979 Banking Act. List of institutions. Page 10

● UK GOLD and foreign currency reserves increased in value by $2.8bn (£1.3bn) in the past year, bringing the total to $26.96bn. The figure was boosted by the sharp rise in gold prices. Back Page

● NATIONAL ENTERPRISE BOARD is to consider in the next six weeks whether to go ahead with a pace-making investment in "genetic engineering" to create new products and processes. Page 5 and Back

● NIGERIA increased its crude oil prices by 51 cents a barrel.

● ABOUT 11,500 UK companies are likely to lose *their* rights to assured supplied of natural gas, but will have to compete for contracts from the British Gas Corporation. Back Page

● MOST STEELWORKERS were expected to return to work today after their union's acceptance of a 16 per cent pay rise. *Page 7 and Back*

COMPANIES

● BRIDON, the wire and rope group, is to form a subsidiary with Korf of West Germany to take over the activitiea of its loss-making Ashlow Steel and *Engineering company*. Bridon pre-tax profits for the year fell to £3.6m (£17.1m). Page 20

● BICC, the cable making and engineering group, reported a 16 per cent rise in pre-tax profits to £65.6m (£56.6m) fo. the year. Page 20, and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Excheq. 13¼pc '88	£95½	+	¼
B and Q (Retail)	74	+	4
Belhaven Brewery	28	+	2
Bell (A.)	186	+	4
Berkeley Hambro	198	+	5
Bestwood	145	+	10
Biddle	92	+	12
Brown and Jackson	180	+	35
Burton	126	+	7
Caffyns	163	+	13
Cape Inds.	234	+	12
FC Finance	60	+	8
Gough Cooper	73	+	5
GKN	267	+	7
Hall Eng.	132	+	5
Hoover A	152	+	12
Peachey Prop.	133	+	6
Burmah Oil	206	+	14
Siebens (UK)	650	+	90
Tricentrol	288	+	6
Ultramar	534	+	12
Guthrie	950	+	25
Ashton Mining	140	+	12
Cent. Pacific Mns.	£21¼	+	2¼
Conzinc Riotinto	260	+	10
Gld. Mns. Kalgoorlie	195	+	11
Northern Mining	122	+	8
Samantha	68	+	6
S. Pacific Petroleum	825	+	75
Tanks Cons.	238	+	6
Welkom	581	+	31
Western Mining	202	+	7

FALLS			
Arenson (A.)	46	−	3
Barclays Bank	402	−	8
Clay (Richard)	64	−	4
Commercial Union	128	−	5
Phoenix Assurance	208	−	10
Wace	58	−	5
Willis Faber	235	−	12
Saint Piran	65	−	5

Decline of 4½% in manufacturing output predicted

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MANUFACTURING output is officially expected to decline by 4½ per cent this year and the Government's new medium-term strategy assumes a further small decline over the following three years.

Mr. Frank Cassell, a Treasury Under-Secretary, announced tbis yesterday during questioning of senior nfficials about the Budget by the Commons-all-party Treasury and Civil Service Committee.

He said the turning point in the current recession might not be until the winter of 1981-82 and there was likely to be a "considerable rise" in unemployment over this period.

He refused, however, to be drawn into a specific forecast of the level of unemployment, saying that he was not authorised tn do so following discussions with Sir Geoffrey Howe, the Chancellor. Mr. Cassell said he had gnne "as far today as he wished me to."

The committee had similar answers during the session and Mr. Edward du Cann, its chairman, said that the issue of further disclosure would he raised with Sir Geoffrey when he gives evidence after the Easter recess.

For much of the session, the officials faced more penetrating and more co-ordinated questinning than has been common in the past. The MPs were being briefed during the sessinn by their special economic advisers.

However, within the pre-determined limits set hy the Chancellor, the officials revealed a considerable amount about the assumptioos underlying the medium-term strategy.

In particular, Mr. Cassell explained how the economy was expected tn develop over the next few years.

Total nutput is forecast to fall by 2¼ per cent this year and, there is likely to he a small further decline in 1981.

However, the assumed 1 per cent annual average growth after 1980, the same as in 1973-79, implies a pick-up in 1982 and a helter than 2 per cent rise in 1983.

After "*quite a large rise*" in unemployment in 1980-81, the total should not rise much further thereafter, Mr. Cassell added.

The cnmmittee's special economic advisers have estimated that the total could rise to more than 2m, and possibly at least 2¼m, by 1983.

Mr. Cassell said the assumptinn about a 1 per cent nverall rate nf nutput growth implied a ¼ per cent annual average decline in manufacturing productinn after this year.

This is nn the basis of past relationships and takes account of the cnntribution of North Sea oil and the growth of service industries.

When asked why the economy was likely to move nut of recessinn, he said the process of running dnwn stocks—a major contribution to 1980 downturn—should end next year.

There should alsn be a rather better performance by overseas economics next year, though the impact of the very rapid lnss of the UK's competitive positinn would continue for some time.

It is also assumed that the inflation rate will decline and that the level nf personal savings will fall slightly over the period, boosting consumer spending.

Mr. Cassell also revealed that the Treasury was now assuming an underlying growth of productivity of 1 per cent a year and an annual increase in productive potential (the possible growth in output) of under 3 per cent a year.

Officials were pressed for projections on the financial pnsition of industry, but would only say that the financial deficit nf industrial and commercial companies (excluding the North Sea sector) was likely in 1980-1981 to he "rather more" than last year.

Economic Viewpoint, Page 19

BL strike plan to be left to shopfloor

By Arthur Smith, Midlands Correspondent

CO-ORDINATED opposition to BL Cars' controversial pay package collapsed yesterday as nnion leaders abandoned threatened strike action.

Nearly 300 senior shop stewards, in a turbulent and often confused meeting in Coventry, left the decision on whether to resist the company's plans to the shopfloor.

A compromise amendment placed the onus on stewards at the 34 plants to hold meetings to consider action.

The disarray of the nnions marks another victory for the nncompromising line taken by BL management. But the risk of disputes as proposed new working practices are introdnced cannot be minimised.

The key test will be at Longbridge, Birmingham, where the Mini Metro is to go into prodnction for an autumn lannch. The main threat to the company plans conld come from the Transport and General Workers Union, which has pledged full support for members disciplined for resisting the new work practices.

National officials of the 11 unions representing the 85,000 mannal workers met in Coventry yesterday to consider a call hy BL negotiators for a total strike from next Tuesday.

They were confronted not only with the decision of the Amalgamated Union of Engineering Workers to instruct its memhers to report for work as normal but also with opposition from the electricians' and pattern makers' unions.

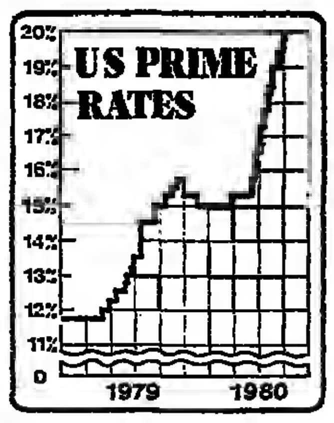
Officials were consequently unahle to give a united lead to the stewards on whether there would he official support for resistance to the company's package.

A resolution moved by Longbridge to nnite stewards under a campaign to "support any action to resist" the new work practices was defeated by three to one.

The size of the defeat underlined the lack of militancy by BL stewards and *signalled an end to hopes* of nniting opposition across the company.

U.S. banks lift prime to record 20%

BY STEWART FLEMING IN NEW YORK



MAJOR BANKS around the U.S. raised their prime lending rates to an unprecedented 20 per cent yesterday as Mr. Paul Volcker, the Federal Reserve Board chairman, urged Congress tn intensify tha fight against inflation.

Among banks which raised their prime rates were Chemical Bank, which led the move, Bank nf America, Continental Illinois and Security Pacific.

In evidence to the Senate taxation sub-committee, Mr. Volcker urged Congress to make deeper budget cuts than those proposed by the Carter administration, which Congress is currently considering.

Mr. Volcker's plea appears to lend weight to the Adminstration's critics, who felt that inadequate hudget constraint had been imposed on current spending.

The Administratinn is currently *seeking cuts of around* $2.4hn (£1.10bn) in the curreut fiscal year.

Mr. Vlocker's call coincides with concern about mounting pressures in the credit oiarkets—reflected not only in the snaring prime rate but also in the difficulties even creditworthy companies are having raising long-term finance in the bond markets.

Some economists say heavy gnvernment borrowing is now crowding out private borrowers from the credit markets. Yesterday the Treasury completed the heaviest and most concentrated borrowing programme many on Wall Street can remember, baving raised about $19hn of new casb in just over two weeks.

Mr. Vlocker also warned about the heavy off-budget borrowing of government agencies. He said that such financing, totalling $12½bn last year, could rise to $15bn this year.

Demand for credit, coupled with the Federal Reserve's apparent determination to keep bank credit growth below the 9 per cent target announced witb the Carter Administration's aoti-inflation package last month, are factors behind the seemingly inexorable rise in commercial bank prime *lending* rates *this* year.

Mr. Milton W. Hudson, senior vice president and bead of the economic analysis department at Morgan Guaranty Trust, said yesterday that the only weapon left to a bank to curb loan demand is the price weapon.

The 9 per cent credit growth target compares with a 13 per cent growth rate last year and comes at a time in the economic cycle when banks expect their corporate borrowers to make heavy demands upon them.

Unlike the last cycle, these demands are coinciding with the demoralisation of the corporate bond market, which is forcing *companies into their banks* for funds.

The banka are also concerned about their own profits. Salomon Brothers points out that in the first three months of this year, as the cost of money to the hanks rose, the spread between the major banks' costs and the rate they charge their customers narrowed sharply. Also, legal interest rate ceilings in many states have turned some business, particularly consumer business, into the red.

Through much of this week, banks have had to pay more than 18 per cent for three-month money and more than 19 per cent for day-to-day funds.

Yesterday the Federal Reserve appeared to underline its determination to maintain a firm policy by draining reserves from the banking system when the rate on Federal funds sank to 17¾ per cent.

Colin Millham writes: The dollar rose sharply in late European trading, fnllowing news of the record prime rates. Earlier the dnllar had lost ground to most currencies, and for the first time this week the Bundesbank did not intervene at the Frankfurt fixing.

Desplte the late rise the dollar finlsbed lower on the day in terms of the D-mark and *other European currencies*, while sterling rose 1¼ cents to $2.1550.

Within the European Monetary System and D-mark remained the weakest currency with the Belgian franc. Both touched their lower intervention levels against the strongest member of the system, the French franc, and reqoired central bank support.

Money Markets, Page 27

£ in New York

—	Apr. 1	Previous
spot	$2.15 5.1540	$2.1515-1530
1 month	0.18-0.23 pm	0.39-0.44prem
3 months	0.87-0.92 pm.	90.3-0.78prem
12 months	0.85-1.00 pm.	079-1.06prem

Tax on imported food prevents price cuts

BY MARGARET VAN HATTEM IN BRUSSELS

BRITISH CONSUMERS will pay a 2.1 per cent tax on imported food from next Monday, following the British Government's decision to use the EEC's "*green money*" system to protect its food exporters and farmers rather than its consumers.

Food prices in Britain will not rise from Monday, but will be prevented from falling as a result of sterling's strength. In effect, this will be the first time Britain has taxed food imports since the repeal of the Corn Laws in 1846.

The taxes (monetary compensatory amounts) will be paid into the EEC budget, and will significantly raise Britain's net contribution.

The UK Government appears, for the moment, to have conceded defeat in its battle against the European Commission and other EEC countries for a 3.6 per cent MCA, the rate required to compensate UK food exportars fully for the rise in aterling.

British officials abstained from voting when EEC Government and Commission officials fixed the MCA at 2.1 per cent at a meeting here yesterday. But the possibility of an application to the European Court of Justice for the right to impose a higher MCA was not ruled ont in London.

This has provoked speculation in Brussels over a possible conflict within the UK Government, between those who wisb to reduce the British contribution to the EEC budget and those who feel promotion of UK food exports should bave greater priority.

The issue centres on the "green money" system, which allows EEC countries to use a special "green" rate in food trade, if they wisb to protect farmers, traders and consumers *from* foreign *exchange* fluctuations. The gap between the two rates is bridged by taxes and subsidies known as MCAs.

In weak currency countries, MCAs snbsidise imports and tax exports. In strong currency countries, they dn the reverse.

While the pnund was weak after the 1973-74 oil crisis, the last Labour Government used the system to protect con*sumers*. The *rise* of *sterling*, together with four green devaluations over the past year, have eroded the gap, leaving the Conservative Government with the choice either of abandoning the system altogether, in line with general EEC policy, or nf switching to a so-called positive MCA to protect farmers and exporters.

Legal conflict arises over a newly expired EEC regulation, which said that, if sterling rose above the green pound, no MCA should be applicable on the first 1.5 per cent. When Mr. Peter Walker, the UK Farm Minister, failed to secure a change in this rule last *week*, he *refused* to extend it beyond April 1. This, he claimed, gave him the right to impose a 3.5 per cent MCA to bridge the current gap hetween sterling and the green pound.

GEC in talks on Inmos link

BY GUY DE JONQUIERES

THE GENERAL Electric Company is discussing with the Government the possibility of its securing a direct link with Inmos, the National Enterprise Board subsidiary set up to prodnce advanced micro-electronic components.

The talks are understood still to be at an early atage and have not so far involved the examination of any detailed proposala. But both sidas appear prepared to pursue them further.

It is believed that GEC's show of interest may be a factor behind the continuing delay in the Government's decisinn on whether to approve a second £25m grant to Inmos to construct a factory in the UK.

The decision has been complicated by haggling over the site of the factory and by growing doubts in Whitehall over whether Inmos will need still further funding in the years ahead. Some estimates have suggested that it might need up to £50m more by the middle of the 1980s.

It is not yet clear whether GEC would be prepared to take nver Inmos completely. But if this were to happen, it would release the Government from responsibility for Inmos' financial future. It would also consistent with the current official policy of disposing selectively of NEB industrial holdings.

GEC, with more than £600m nf casb on hand, is one of the few British companies wealthy enough to provide Inmos with the required investment support. It is not known, however, *whether the Government would* be prepared to approve the next

Continued on Back Page

CONTENTS

For latest Share Index 'phone 01-246 8026

Heavy Commission fines on steelmakers

BY GILES MERRITT IN BRUSSELS

HEAVY FINES totalling almost £600,000 have been imposed by the European Commission on the main steel producers of West Germany and France.

The penalties follow the Commission's decision that interpenetration, price fixing and quota agreements between the 13 steel companies cited amonnted to "illegitimate regulation of the market."

Commission officials said yesterday that over a period of years up to 1975 the French and West German companies hsd flagrantly hreached the competition rules of the European Coal and Steel Community's Treaty of Paris.

In a statement, the Commission pointed out that the present price and delivery disciplines of the EEC's Davignon Plan were a very different matier to tbe private agreements found to exist between the companies that are being fined under Article 65 of the Paris Treaty.

Precise details of the 900m European units of account fines have not heen released, and the Commission is now wsiting to hear whether the companies involved are to appeal to the European Court of Justice in Luxembourg. In all. there are three separate cases on which the Commission has acted.

The first, known as the French case, involves Creusot-Loire, Marrel Freres, which is now part of Creusot-Loire, Pompey, SAFE and Ugine Aciers.

These five companies have been found to have jointly fixed prices for special constructural steel in 1974 to 1975. SAFE and Ugine also took part in a 1970-74 quota agreement hy French producers which limited deliveries onto the French market.

The German case, involving eight West German special steel producers, concerns quots agreements that limited special construc. onal steel, bearing steel, and stainless flat prodncts being sold in West Germany in 1971 to 1972, and also consisted of joint price fixing for most types of special steel in 1973 to 1974.

Not all companies took part in the same agreements, hut the producers named yesterday in Brussels included Thyssen, Buderus, Krupp, Klockner Werke, Rochling-Burbach, together with subsidiaries and affiliates of Thyssen and Krupp.

The third breach of the competition rules, labelled the France-German case, concerns an interpenetration agreement in which all the French companies named, and almost all of the Germans (with the exception of Thyssen) limited the amounts of alloy constructinnal steels exported into one another's home markets. According to Brussels, the market-sharing pact ran for at least six of the eight years 1967-74, and during the final year was extended to include restrictive pricing practices.

WEST GERMAN PRODUCERS INDIGNANT ABOUT CHEAP LOANS

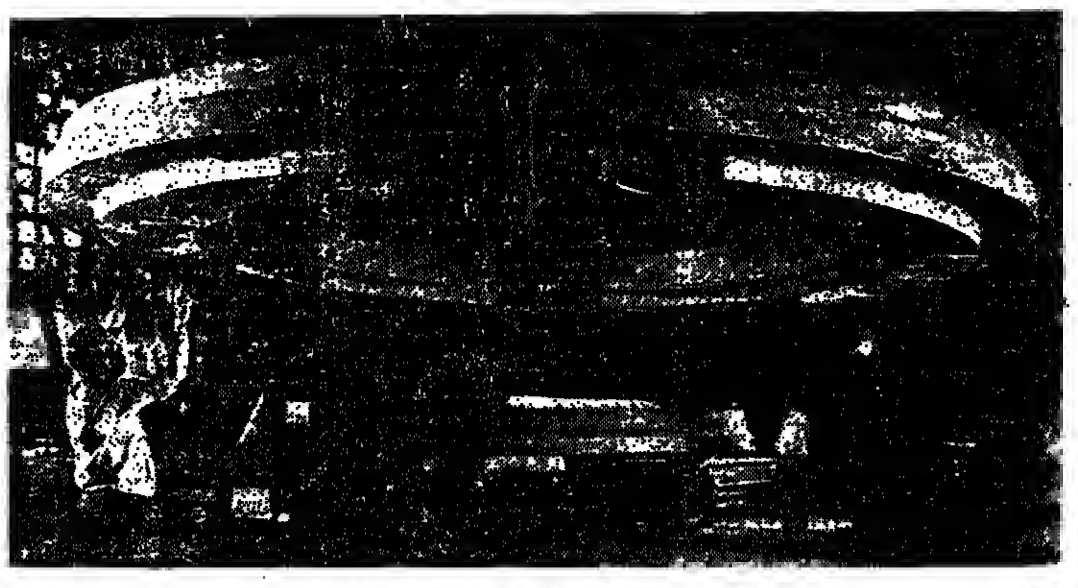
Sound and fury over subsidies

BY ROGER BOYES IN BONN

ASKING West German steelmakers about the scope of their government subsidies is tantamount to waving a very red rag in front of a very angry hull. There is a snort of disgust, s pause for thought, followed rapidly by an alarming (if metaphorical) charge.

Death-defying it may be, but the issue must now be taken hy the horns hecause of the events of the past few weeks. Esrly last month the Federal Research and Technology Ministry and the state of North Rhine Westphalia agreed to give cheap loans worth DM 240m (£60m) to the Dutch-German Estel Hoesch steel group towards the construction of a new steel plant in the Ruhr.

It was unremarkable hy the standards of most other European countries, hut the West Germsn Industry has long claimed itself to be relatively free of government support aod has regularly criticised the "over-subscribed" competition offered hy its neighbours.



A single 55-tonne casting, destined as a sealing ring for the reactor chamber of the Kalkar pilot fast hreeder nnclear power station, leaves the Essen works of Krupp Metal and Forging

Later in March, U.S. Steel filed anti-dumping suits against seven European producers, including West Germany, claiming that some three-quarters of European exports to the U.S. were heing unfairly priced. West German galvanised sheet, said U.S. Steel hy way of example, was heing exported to the U.S. at 70 per cent below the "fair price."

Other compsnies, such as Bethlehem Steel, have so far declined to follow the example of U.S. Steel which launched its move in response to the U.S. Government'a refusal to raise the so-called trigger prices, a system which sets minimum prices for steel imported into the U.S. The anti-dumping measures have none the less alarmed the European producers, especially the West Germans.

In the first place, the U.S. Steel moves hsve contributed to a general nervousness on the market, persuading European producers to overfeed the European market with such products as reinforcing steel. The West German market normally needs some 140,000 tonnes a month of concrete reinforcing steel but some 190,000 tonnes is heing delivered, much of it from Italisn producers. In southern West Germany this has resulted in a drop of prices of about DM 25 to DM 30 per tonne.

Quite apart from the immediate market reaction, leading West German producers believe that well-publicised government support for fellow steelmakers will further fuel the suspicions of the U.S.

Some producers have already made public their dissatisfaction with the Hoesch support. This has been expressed obliquely—thus Dr. Dieter Spethmann, head of Thyssen, went out of his way recently to stress the need for "free market" principles within the indnstry.

In private, the leading producers have been much sharper about assistance for Hoesch. Dr. Detlev Rohwedder, chief executive of Hoesch, is said to have come in for some particularly bitter criticism at a recent meeting of the steel industrialists' club in Duesseldorf, a private gathering of the heads of the indnstry.

But it is difficult to escspe the conclusion that this "moral" indignstion is prompted more hy tactical considerations than hy any enduring commitment to the free market. Most West German steel companies benefit from some form of Government assistance to the Industry.

The Research and Technology Ministry, as in the case of Hoesch, is prepared to put up cash or at lesst cheap loans for modernisation — although the new processes involved can sometimes be scarcely classified as technological innovation.

The Hoesch project foresees the replacement of three unprofitable Siemens Martin plants hy a new plant using an oxygen-coolirg system. Hoesch critics claim that the company could have carried out the same replacement in the early 1970s at much less cost and without resort to the Government.

Admittedly these criticisms are to some degree horn out of competitive envy. Close examination of the industry's annual reports shows that Thyssen, Krupp and Kloeckner have henefited to the tune of DM 130m until year-end 1979 from the Government's steel research programme. "The difference," said one Thyssen executive, "is that this assistance is not heing used to support the costs of had management decisions."

A portion of the support for Hoesch comes from the state of North Rhine Westphalia which underlines the political dimension of propping up the steel industry. The current Hoesch plans replacing the three loss-making plants with the new process provides for the cutting of about 4,200 jobs. Without the state aid, some 10,000 to 15,000 jobs would have been lost, a substantial amount, given that there are state elections in May and a general election in October. Other steel concerns, meanwhile, have applied to the North Rhine Westphalian Government for grants towards the installation of statutory blast furnace filters.

A third form of, albeit indirect, assistance comes through Government spending for the shipyards. Several West Germsn steel companies, including Thyssen, Salzgitter and Krupp, have interests in shipbuilding, and all have been hit by the severe shipping crisis. A DM 660m (£165m) shipyards programme, however, hss helped the yards focus on high-value, special-purpose vessels and other coastal state relief achemes have proved valuable to the steel group's respective shipbuilding subsidiaries.

Another form of indirect subsidy for steel concerns is the Government support for coal. Coal subsidies in 1978 resched DM 4.1hn—nearly 50 per cent of this was used to promote coal hurning in electricity generation—and was financed hy s surcharge of 4.5 per cent on electricity hills. But s large amount also went towards coking coal, the staple fuel of many sectors of the steel industry. The Government subsidy is used to compensate for the difference hetween the domestic costs for coking coal and the world market price.

Despite this complex wesve of Government support, it has to be said that the West German steel industry remains the most efficient in Western Europe. It has genuinely used the "breathing space" offered hy the Davignon price control plan to cut back capacity, restructure and diversify. Productivity is high and the range of subsidies simply does not compare with the comprehensive backing given to other European concerns.

The West German criticism remains in essence correct: Its European competitors are considerahly more subsidised than its own Industry. However, the force of the West German argument is not assisted by its steel industrialists' uncertain and sometimes equivocal attitude to their own subsidies.

Questions raised in Bonn on safety of East's N-plants

BY ROGER BOYES IN BONN

POOR safeguards for East European nuclear power stations near the West German horder could pose a safety hszard for people living in West Germany, according to opposition Christian Democratic politicians.

The complaint reflects concern in West Germany about well-publicised dissident accounts of ssfety problems with Soviet-made reactors. Czechoslovakia, which horders parts of southern West Germany, has an sctive nuclear programme snd East Germany currently has two plants with a third under construction in Stendal near Maedeburg.

In a formal answer to the Christisn Democrat Party's parliamentary question, the Government this week played down the immediate dangers of the plants, stressing that the East German reactors were quite some way from the frontier. But the Government tacitly acknowledged thst the Soviet-designed reactors left a lot to be desired.

The plants were based on "simple and robust technology," the government announcement said, but newer models had fonnd it necessary to incorporate Western-style security measures. A Soviet model reactor delivered to Finland had required the installation of additional safeguards

The issue is s delicate one, primarily because the West Germsn Government is having to convince its own population of the desirability of nuclear power. If power stations in neighbouring East European states have inadequste safegusrds, sentiment could move awsy from the idea of nuclear energy—with consequcnces for the general election in October.

Recent electoral successes of the anti-nuclear Ecologists' have revealed s degree of disillusionment with the major parties, all of whom support nuclear energy.

● The number of uncmplnycd in West Germany fell last month to the lowest March total fnr six years, reflecting hoth a still-huoyant economy and a mild winter

The Federal Statistics Office said yesterday thst the number unemployed fell 11.7 per cent from February to 875,909 or 3.8 per cent of the wnrkforce, compared with 4.2 per cent in March, 1979.

Turkey adjusts value of lira

By Metin Munir in Ankara

THE TURKISH lira was devalued against the U.S. dollar by 5.2 per cent yesterday in a new alignment of the cross-rates by the Central Bank.

This was the bank's third cross-rate adjustment in less than 30 days, after the 33 per cent devaluation of the lira last January when the Government of Mr Suleyman Demirel announced a comprehensive stabilisation programme.

The adjustments are a consequence of the strengthening of the dollar, to which the lira is pegged. In the first two operations last month the valne of the lira appreciated with the dollar.

Recently the IMF has been insisting that Turkey should maintain realistic exchange rate and rednce the lira's exchange value in line with the rate of inflation. Yesterday's adjustment indicates that Turkey has decided to discontinue the climb with the dollar.

Trade pact signed with Yugoslavia

By Aleksandar Lebl in Belgrade

YUGOSLAV AND EEC officials yesterday signed a five-year trade and co-operation agreement designed to help Yugoslavia achieve a more favourable balance between trade with the EEC and Comecon, the Communist economic gronping.

The new agreement, the third between them, gives mnch freer access to the EEC for Yngoslav industrial and farm goods. This shonld help rednce Yugoslavia's trade deficit of more than $3bn (£1.4bn) a year to about $1bn wben the pact expires.

The pact also covers financial assistance from the European Development Bank and improved social security for Yngoslav workers in the Community. Formal ratification of the agreement is expected to take a year hnt in effect the agreement will become operational in most respects from July.

Eurocommunist rift grows

THE FRENCH Communist Party now appears virtually certain to he the only one of Western Enrope's three major Commnnist movements to he represented st an international conference on disarmament here next month.

In a demonstration of the growing rift in the Eurocommunist movement, the Spanish Communists have flatly refused to participate in the talks, aimed at bringing together Communist leaders from both Western and Eastern Enrope.

The conference, being staged jointly by the French and Polish Communist parties, is seen by the Spanish Communists as a gesture of support for the Warsaw Pact.

The Italian Communist Party has not given an ontright refusal, bnt has proposed an alternative plan which would involve separate talks between the Western European parties, the East Bloc parties and the "non-aligned" parties.

Cossiga Cabinet to be presented within 48 hours

BY RUPERT CORNWELL IN ROME

AN ITALIAN Government is likely to be formed within the next 48 hours. Barring last minute hitches, Sig. Francesco Cossiga, the Prime Minister-designate, will present the list of ministers to President Sandro Pertini by tomorrow morning at the latest.

The new Cahinet is expected to consist of 24 portfolios, half for the Christian Democrats and half for their coalition allies the Socialist and Republican parties.

While the coalition partners are winding np a series of talks on a policy programme, the real negotiations—on the choice of Ministers—have been going on behind the scenes.

The process has been most delicate for the Christian Democrats, who will see their representation fall from 18 in Sig. Cossiga's outgoing sdministration. It has also heen complicated by President Pertini's insistence that Ministers be of unimpeachable standing.

The uncharacteristic speed with which the latest crisis has been solved — Sig. Cossiga resigned only a fortnight ago—augurs well for the Prime Minister's ordained task of mediating an EEC budget compromise at the postponed Community meeting, rescheduled for Luxembourg st the end of this month.

The Prime Minister has the opportunity of building on the apparently more optimistic atmosphere generated by the latest bilateral EEC meetings to prodnce an agreement.

The policy aims of the new Government, which sees Socialists as Ministers for the first time since 1974, are predictahly general in tone. One of the administration's first tasks, following a vote of confidence in Parliament, will be to sort out the confusion over the 1980 budget proposals which have still not won legislative approval.

The main thrust of economic policy will be to try to contain inflation, now running at about 20 per cent a year. The three parties will seek to regain a grip on public spending in the light of a state sector deficit now likely to exceed this year's intended ceiling of L40,000bn (£20.5bn).

By shooting four Christian Democrat party workers in the kneecap in a Milan raid on Tuesday night, the Red Brigade's terrorist group has begun its threatened counter offensive after the heavy losses sustained as a result of recent police operations in France and Italy, writes our Rome staff. One of the injured was a former MP.

Tax burdens eased in Portugal budget

BY OUR LISBON CORRESPONDENT

PORTUGAL'S right of centre Government yesterday presented the country's first firmly non-Socialist budget since the 1974 revolution and showed its commitment to a better deal for private enterprise and lowered tax burdens.

Sr. Anibal Cavaco e Silva, the Finance Minister, tabled a package of measures to encourage economic expansion, relaunch severly stagnated private investment and curh inflation. Debate will start in Parliament after the Easter holiday recess next week.

He also promised tight controls on public sector spending and said the public debt would be lowered hy damping expenditure in all government departments and nationalised concerns and revaluing Portugal's gold reserves.

Faced with an antumn general election, the Government has announced significant tax cuts to ease lower and middle class burdens and promised about a 6 per cent boost in real purchasing power.

But the hudget also proposes a clamp-down on tax evasion and frand, which, because of complex collection procedures, are widespread.

The Government seeks authorisation to float £160m external loans to help cover the projected Es 141.2bn (£1.28hn) budget deficit this year. The halance will be sought on domestic money markets. The deficit is 17 per cent higher than in 1979, but in real terms represents a drop because of the 22 per cent inflation rate.

To offset part of the central bank's domestic loan obligations, the Government has revalned its 688.9 tonne gold reserve, formerly pegged at $42.22 an ounce, at the new price of $254.72 an ounce. This represents an average of the gold fixings between July and December last year.

The revaluation is made possible because the gold reserves, part of which were formerly tied np as loan collateral, will be entirely pledge-free hy the end of April.

To help finance a planned growth rate of 3.6 per cent this year, the halance of payments on current account will swing back into deficit. IMF-imposed austerity had ensured a £23m-£32m surplus on this sccount last year; but the Government is bndgeting for a £350m-£370m deficit in 1980.

Even so, growth in Portugal's depressed economy will stagnate in real terms. Industry, transport and energy are among priority sectors to henefit from special financing provisions in the budget.

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New twist in de Broglie affair

BY DAVID WHITE IN PARIS

A SCANDAL suronnding the murder of Prince Jean de Broglie, French politician and financier, on Christmas Eve, 1976, erupted sgain yesterday with the pnblication of fresh documents.

The Documents, reproduced by the weekly satirical newspaper Le Canard Enchaîné purportedly show that the police knew beforehand about the assassination plan.

If the documents are genuine, three new elements emerge in this murky affair: the apparent failure of the police to act on their information, the sbsence of this evidence during three years of legal inquiry, and indications that the motive for the crime lay in a forgery racket.

Of the seven people charged in connection with the murder, three hsve been discharged and the other four committed for trisl: M. Gerard Freche, a petty criminal who has confessed to shooting the Prince for a promised payment of FFr 50,000 ($11,000). M. Guy Simoné, a former police inspector accused of complicity, M. Pierre de Varga, a restaurant owner implicated by M. Simoné, and M. Serge Tessedre, accused of acting as go-between in hiring the killer.

It has been supposed up to now that the crime was linked to a loan made by the Prince for the purchsse of a restaurant.

According to Le Canard Enchaîné, four branches of the French police had prior information that the Prince was the target of an assassination plot. In April, 1976, the police had been tipped off about a racket of forged Treasury honds, in which a "bigwig" was involved.

A second report, in September that year, mentioned a plan to murder "the politician." The report was allegedly sent to the office of the then Interior Minister, M. Michel Poniatowski (who is also a prince).

M. de Varga has denied having asked M. Simoné, the former police inspector, to organise the murder.

Dunkel chosen to head GATT

BY BRIJ KHINDARIA IN GENEVA

MR. ARTHUR DUNKEL of Switzerland will replace Mr. Olivier Long as director-general of the General Agreement on Tariffs and Trade (GATT), when the latter's term expires on May 5.

GATT's decision-making council chose Mr. Dunkel at a hrief meeting bere yesterday, ending an argument mainly hetween the EEC and Australia over Mr. Long's successor.

The Community supported Mr. Dunkel, and Australia Mr. Patrick Donovan, an Australian Ambassador to France.

Mr. Dunkel's appointment will be formally confirmed at a meeting of GATT's member countries on April 28. They will also decide the length of Mr. Dunkel's term in office, which is expected to begin in the autumn.

Australia has not yet officially withdrawn Mr. Donovan's name. Nor has Sweden withdrawn its candidate, Mr. Hans Colliander, a Swedish Ambassador, also to France.

But neither country is expected to oppose Mr. Dunkel's appointment.

The council chose yesterday Mr. William Kelly, a senior assistant to Mr. Reuben Askew, the U.S. Special Trade Representative, as deputy director-general of GATT. The term of GATT's other deputy director-general, Mr. Madan Gopal Mathur, which expires at the end of this year, was extended for four more years.

Mr. Dunkel, 58, is Switzerland's ambassador to GATT and the Geneva-based United Nations' Conference on Trade and Development (UNCTAD). He has a distinguished background as a trade negotiator and was associated with the Tokyo Round negotiations since 1973. He was also chairman of the UN's wheat conference in Geneva in 1978 and 1979.

Hugh O'Shaughnessy, in Kingston, and David Tonge, in Washington, report on the long and bitter dispute between Jamaica and the IMF

Island wins support against Fund's policies

AS THE AIR of desolation of this listless and untidy city shows, Jamaica is in a pitiful state. An island of 2m people which is one of the world's main sources of bauxite and which also lives off a highly developed trade in bananas, sugar and tourism has seen its economy contract steadily for the past six years.

With no fuel sources of its own, it has had to pay what are, in island terms, enormous quantities of foreign currency for imported oil. The bill has gone up from U.S.$49m of 9 per cent of imports in 1972 to nearly U.S.$200m, or a quarter of all imports last year.

Export prices for sugar, bauxite and bananas, despite occasional peaks, have not kept up with imported inflation. The consequent acute foreign exchange crisis has been aggravated by pressure on the Government from domestic and foreign business unhappy with the Government's attempts to install some form of social democracy in a society just emerging from three centuries as a colony.

Deficit

In January the net foreign debt over reserves of the government and private banking system stood at Jamaican $658m (£170.4m), a deficit that has tripled in two years. Unemployment is around 30 per cent of the population of working age and it is thought that only perhaps two school leavers out of five have a chance of finding a job today.

Wage rates are only about 55 per cent in real terms of what they were a year ago. In 1978 the national income per head fell 18.6 per cent to US$981. It probably fell by the same amount last year, when inflation was around the 20 per cent mark.

Until Tuesday of last week the International Monetary Fund, with which the government of Mr. Michael Manley had been negotiating since 1977, was pressing for further deflation and devaluation to cure the situation. But on that day Mr. Manley, bowing to pressure from his People's National Party (PNP), decided to halt negotiations for US$180m on the argument that the country could hardly do worse without the IMF than it could with it.

Exaggeration

He had been advised by the then Finance Minister, Mr. Eric Bell, that there was little hope of satisfying the fund's criteria during the year, and thus little hope of getting the US$180m conditional offer by the fund. Even had that money arrived, US$170m would have had to be expended to repay and service foreign debts—about one-third to the fund itself. The Prime Minister says that the price of IMF help would have been an extra 11,000 unemployed.

Next week the new Finance Minister, Mr. Hugh Small, goes to Washington and New York to renegotiate payments immediately due by Jamaica to international creditors.

At home the crisis with the Fund is at the centre of a fight between the PNP and its political opponents in the conservative and business-oriented Jamaica Labour Party (JLP). Mr. Edward Seaga, the opposition leader, has been portraying the Government, with a good deal of exaggeration, as undercover Marxist-Leninists anxious to put the island into the thrall of the Soviet Union.

In reality Jamaica has a strong two-party system where the Government has changed hands three times in the past four elections. Despite the impoverishment of many, Jamaica enjoys a freedom of speech and political action that is seldom to be found in the often crude and violent societies of its Latin American neighbours.

Mr. Michael Manley, Prime Minister of Jamaica: Adherence to the International Monetary Fund's economic recipe may cost him this year's election.

Unfortunately for Mr. Manley, that political sophistication may well work in his disfavour in the elections which are to be held in the next few months. The economic crisis and the measures that the Government has taken at the Fund's behest since 1977 have badly eroded the Government's support. The PNP is unlikely to repeat its success in the last elections in 1976, when it won 57 per cent of the vote and 47 per cent of the 60 seats in the House of Representatives.

Radical

Unless Mr. Manley can strike a particular chord of patriotism and anti-IMF feeling in the electorate, he will be turned out of office. Political observers feel that many disappointed PNP supporters will abstain or favour the small Communist Party or the Marxist-Leninist Workers Party, thus letting in Mr. Seaga. But the JLP is itself badly split and Mr. Seaga lacks the great personal magnetism that Mr. Manley enjoys.

PNP supporters who sense defeat console themselves with the thought of the problems facing the JLP if it did gain office, but Mr. Manley might squeak in if he were able to capitalise on his personal friendships with a number of world leaders, from Mr. Pierre Trudeau of Canada to Mr. Odvar Nordli, the Norwegian Premier, who sent a mission to Kingston last week.

The Jamaican predicament is already attracting a good deal of attention from those who, like Mr Edward Heath or President Julius Nyerere, of Tanzania, feel that the operations of international financial bodies like the Fund and the World Bank need radical revision.

As the publication of the Brandt Commission report in February demonstrated an influential body of international opinion is increasingly critical of the workings of the Fund in the Third World.

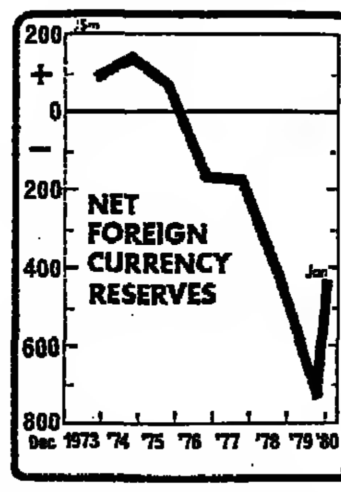
In the Dominican Republic last week the former German Chancellor Willy Brandt, addressing a regional meeting of the Socialist International, of which he is president, called on members to come to the aid of Jamaica, a call which was echoed by more than a score of parties from the Western Hemisphere, Europe and Africa present at the talks.

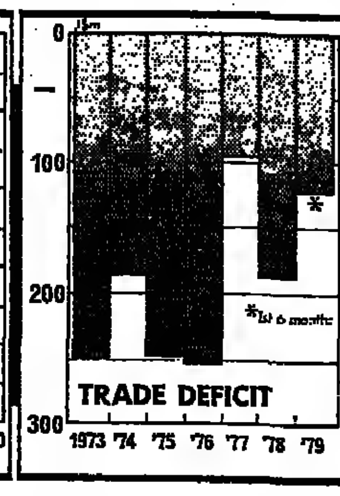
Jamaica is able to count on a broader range of support, too, because it is a working parliamentary regime. The international financial agencies in Washington can scarcely be unyieldingly tough with Jamaica within a few months of the World Bank having published a generally favourable report on the policies of the Pinochet government in Chile.

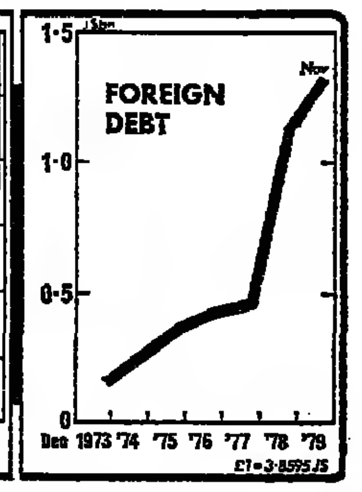
Whether Mr Manley will be able to drum up financial help in time to save him at the elections is doubtful, however. The Libyans, for instance, appeared to have diplomatically forgotten their pledge of U.S.$50m for the Jamaicans.

But whether Mr Manley wins or loses the poll, Jamaica will be watched with interest as a test case of what happens to a poorer Third World oil importer in its relations with the international lending agencies.

Three years ago Peru was in the position that Jamaica occupies today, but it benefited from a quick oil bonanza. The oil boosted Peru's economy and saved the Fund from embarrassing criticism of its policy. Despite prayer and effort they have not yet found oil here.







Irritation and embarrassment over 'spoiled child'

WITHIN THE International Monetary Fund, Jamaica is viewed with a mixture of irritation and embarrassment. However bitter the mood in Kingston, in Washington some IMF officials complain that Jamaica has been treated as a privileged case. One official goes so far as to argue that it is a "spoilt child."

Loosen

To back up this unexpected attitude, IMF officials point out that Jamaica has drawn a higher percentage of its Fund quota than any other country — 360 per cent, compared with the 317 per cent drawn by Turkey up to the end of February.

The officials add that Jamaica is the only country to have outstanding drawings on every IMF facility, and that it was the first country to have been allowed to benefit from the IMF's decision to loosen the link between borrowing levels and quotas. They also say that agreements between Jamaica and the IMF have frequently been rewritten and performance targets waived.

The view in Washington is that the IMF has not been too hard on Jamaica; on the contrary, it may have been too soft. The embarrassment is less at the propaganda campaign being mounted by the Jamaican Government against the IMF. "That is part of the risks of the game," one official said. It is due more to the fact that although the Fund has lent so much to Jamaica, its economy is still not afloat.

The IMF believes that Mr. Michael Manley, the Prime Minister, deserves high credit for making a major reform of the country's foreign exchange regulations and for keeping a tight grip on wages, despite the high degree of unionisation.

But the Fund argues that he has done himself a disservice by failing to increase the productive base of the economy and, through his socialist approach, by discouraging investment by the private sector, which still controls most productive activity. "Jamaica is the classic case of a country borrowing very heavily to finance consumption," the visitor to the IMF is told.

There is some recognition that many of Jamaica's foreign exchange problems are the result of factors beyond its control. Apart from the rise in oil prices, factors cited include banks reducing their lending to Jamaica, the continued capital flight, and the ending of dollar earnings from (illegal) marijuana exports. In the future, there is hope of fresh investment in bauxite and the tourist sector.

However, there is scant indication that the Fund considers that it should bend as a result of the violent criticism being voiced in Kingston. To some extent this is seen as mere politicking of the sort with which the IMF has had to deal before. "Manley has to take a difficult attitude to us for domestic reasons, officials comment."

Trouble

Two weeks ago the Executive Directors of the Fund agreed that, while the IMF should continue to seek to control demand, it should also pay more attention to helping the supply side of economies in trouble. But little immediate change in IMF policies seems in sight — least of all where Jamaica is concerned.

Wins put Carter and Reagan back on target for nomination

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT CARTER and Mr. Ronald Reagan were firmly back on track for the Democratic and Republican Party Presidential nominations following their substantial victories in Tuesday's primaries in Wisconsin and Kansas.

Both would need to suffer catastrophic defeats in the big Pennsylvania primary on April 22 in their respective direct confrontations with Senator Edward Kennedy and Mr. George Bush. While Mr. Carter could lose to the Senator in this north-eastern industrial state, Mr. Reagan appears impregnable to serious challenge.

For Mr. Carter, the victories on Tuesday came as a great relief. They banished the bad memories of last week's setbacks in New York and Connecticut, put him more than half-way to the goal of winning 1,666 convention delegates, and demonstrated once again that, no matter what verve and style he brings to his campaign, Senator Kennedy is still hamstrung by popular mistrust about his character.

The President may also have been helped marginally by his management of possibly encouraging news from Iran on the morning of the primaries, though it is unlikely to act as a major factor.

Several polls of voters in Wisconsin found little to choose between the President and the Senator on issues and policies — both domestic and foreign, but pointed to an overwhelming preference for the President when it came down to such concepts as "character" and "truthfulness." Significantly, more than a third of those surveyed said that character was the principal reason for preferring one candidate over another.

This constitutes a marked difference from what happened in New York, where issues and President Carter's policies were considered the most important. Of course, neither Wisconsin nor Kansas has anything like the Jewish population of New York, thus reducing the political significance of the Administration's controversial policies towards Israel. But on Tuesday, as well as last week, voters agreed that inflation was the number one domestic problem: Not even preference for Mr. Kennedy's solutions to inflation was able to overcome the personality factor militating against him.

Gov. Jerry Brown . . . bowing out

In the event, he carried most economic and ethnic segments of Wisconsin in chalking up a 56 to 30 per cent margin over Senator Kennedy, with Californian Governor Jerry Brown, who had put all his remaining eggs into Wisconsin, getting a meagre 12 per cent and subsequently declaring he was withdrawing his candidacy. In Kansas, the Carter margin was 57 to 32 per cent. In the delegate race, the President won in Wisconsin by 48 to 26 (with one for Mr. Brown) and in Kansas by 23 to 14.

Mr. Reagan's triumphs were not unexpected. He retained the allegiance of the conservative wing of the party and picked up nearly a third of the "crossover" vote of Democrats and independents in Wisconsin. Indeed, his strength in the working class areas of Milwaukee, in particular, gives some credence to his contention that his appeal is more broad-based than his critics allege.

The big loser in both states was Congressman John Anderson, who had pinned so much on the Wisconsin "crossover factor." His trouble was that although he did succeed in attracting the independent-minded especially on the university campuses, his standing inside the Republican Party continues to fall: in Wisconsin, he won only about 15 per cent of the Republican faithful.

All of which leaves Mr. Anderson with a painful problem. He is not on the ballot in Pennsylvania, his campaign having failed to organise in time to meet filing requirements. Thus his choice appears to be either to bang on until the primaries in May or to plunge into a third party candidacy.

At the very most, this would muddy the prospects for the November General Election. It would, on the face of it, enhance Mr. Reagan's chances in a contest with Mr. Carter, since the Anderson support would otherwise more likely find itself in the President's camp. But Mr. Anderson's distaste for Mr. Reagan's conservatism often appears as deep as his contempt for Mr. Carter's policies.

Mr. Bush will certainly soldier on to Pennsylvania, though nobody thinks he has a realistic chance of denying Mr. Reagan the nomination. This is more than amply demonstrated by electoral mathematics. Apart from winning the popular vote in Wisconsin by 40 per cent to Mr. Bush's 31 per cent and Mr. Anderson's 28 per cent, and in Kansas by 63 per cent to 18 per cent for Mr. Anderson and 13 per cent for Mr. Bush, Mr. Reagan won another 48 delegates in the two states, compared with only 11 for Mr. Anderson and a paltry four for Mr. Bush.

This means that Mr. Reagan has now garnered nearly 400 delegates of the 998 needed for the nomination, against 72 for Mr. Bush and 56 for Mr. Anderson, with a host of western and south western states, pure Reagan territory, still to come. Mr. Bush has money to spare to fight in Pennsylvania, but that may be the extent of his armoury.

NY transport workers in court as strike continues

BY DAVID LASCELLES IN NEW YORK

THE NEW YORK transport strike continued yesterday, stranding millions of commuters as state authorities took the labour unions involved to court in Brooklyn on contempt of court charges.

A New York law—the Taylor Law—forbids public service employees from going on strike. The state obtained two writs last week ordering the unions to obey this law.

It was up to the union leaders yesterday to explain why they should not be held in contempt of these orders. If the judge finds against them, they face jail terms of up to 30 days. In addition, the anti-strike law penalises strikes two days' pay for every day they strike.

The court move was only one sign of the critical pass to which the transport crisis has come. Employers and workers have not met since the strike began at midnight on Monday, and no talks were scheduled yesterday.

When the talks broke off, the two sides were also far apart on the new pay contract they were trying to negotiate. The Metropolitan Transportation Authority had countered the unions' demand for a 25 per cent rise over two years with a 12 per cent offer. A mediation panel then proposed 16 per cent, but this was unacceptable.

Brazil workers awarded pay rise by court

SAO PAULO, Brazil — Nearly 225,000 striking metalworkers won pay rises of up to 7 per cent when a labour court decided in their favour, and refused to declare illegal their walk-out, which went into its second day.

The court's decision, which surprised labour, management, and even Senator Murillo Macedo, the Labour Minister, is the result of the policy of Brazil's military-supported Government gradually to establish democratic liberties.

The judges also raised the possibility that the strike, which has halted hundreds of factories, could be called off quickly. AP

OVERSEAS NEWS

WORLD TRADE NEWS

Bank of Japan warns on yen

BY RICHARD C. HANSON IN TOKYO

THE GOVERNOR of the Bank of Japan, Mr. Haruo Maekawa, yesterday warned speculators not to assume that the yen's precipitous slide so far this week will continue for some time, to come.

The central banker's remark, made at a regular Press conference, follows panicky selling here early yesterday which sent the yen down to its lowest level in 30 months, prompting authorities to intervene heavily for the second successive day.

At one point the yen dipped to Y258 per dollar, before closing back near its opening at Y256.40. This was still the lowest since October, 1977, and Y2.70 below Monday's close.

The Bank of Japan sold an estimated $300-$400m (compared with more than $500m on Monday), as spot turnover continued at a pace of more than $1bn for the day.

Mr. Maekawa said that the yen will, in the normal course of events, recover as signs multiply that the nation's balance of payments deficits are beginning to narrow.

On Monday, Mr. Maekawa signed an agreement with the Swiss National Bank on establishing a standby swap arrangement of up to Y200bn.

The swap facility will, it is hoped, have some psychological impact on the market. Other news, however, such as a drop in Japan's foreign reserves, encouraged yen selling.

The feeling in the Tokyo market is that the authorities can do very little to force a halt in the yen's decline. Officials have said they would be prepared to take measures to prevent an excessive build-up in foreign currency deposits by Japanese corporations in Japan.

Likewise, excessive purchases of U.S. Treasury bills would "not be condoned," but officials feel so far that purchases are not over-large.

Nigeria President unveils cautious budget

BY MARK WEBSTER

THE FIRST budget by a civilian Administration after 13 years of military rule will not throw away the gains of the past three years of stringent economic controls, President Shehu Shagari of Nigeria announced in his first budget speech.

Even though oil revenues are projected at Naira 27bn (£21.8bn) for the coming year, he said his budget would include a deficit of only Naira 283m (£228m) which would be financed by external and internal borrowing and by reserving 20 per cent of capital expenditure until it was clearer how the economy was faring.

With Nigeria's economy picking up after three years of recession, the President's first budget has been criticised as over-cautious by some of the business community. But he said he was concerned not to provoke the kind of inflation which followed the rapid expansion of the Nigerian economy after the 1973-74 increase in oil prices.

Industrial raw materials and spare parts will no longer be subject to inspection before export to Nigeria, the Nigerian head of state announced.

President Shagari said the system of issuing "Form M," which gives clearance from the Nigerian end importing goods, would be decentralised. The form is now issued by the Nigerian Central Bank and has been widely criticised for delaying the processing of goods for export to Nigeria.

Out of total federally collected revenue of some Naira 11.6bn he has managed to meet most of his campaign promises. The budget is an increase in nominal terms of 25 per cent from the previous year's austerity budget, but covers only the nine months to December 31, after which the financial year is brought into line with the calendar year.

Particularly favoured in the budget are housing, the lower paid, agriculture and education. Defence, which has always taken a sizeable amount of federal government spending, has been cut.

President Shagari said the statutory wage freeze was officially lifted, and that it would be replaced by a set of guidelines which would lead to a return to free collective bargaining. He said the increases would be linked to productivity to prevent inflationary wage claims.

The lower-paid civil servants were given a rise to Naira 100 a month, and loans were reinstated for the higher paid for buying hicycles, motorcycles and cars.

He said the federal government would stick by its commitment to build 2,000 homes a year in each of the federation's nine states, at a cost of around Naira 500m.

A further Naira 115m is being set aside for secondary education. Nigeria's free primary education scheme has resulted in a big increase in primary school leavers. Bigger allocations were also made for teacher training and technical education.

Another of the President's favoured projects is the federal capital to be built at Abuja in central Nigeria, and Naira 181m of the capital budget has been set aside for the next nine months.

Prince Sihanouk: reconciled to Heng Samrin

Sihanouk willing to return to Kampuchea

By Tony Walker in Peking

KAMPUCHEA'S FORMER head of state, Prince Norodom Sihanouk, said yesterday he was prepared to return to Pnom Penh under the Heng Samrin régime if the Kampuchean people wanted him to go back.

In what appears to be a shift in his position, Prince Sihanouk admitted his proposal for the neutralisation of Kampuchea had little chance of success and said that it was inevitable more countries would recognise the Vietnamese-backed Government in Pnom Penh.

The Prince has just returned from an overseas tour during which he attempted, with little success, to secure Western backing for his neutralisation proposal.

United States officials described it as unrealistic and Prince Sihanouk appears to have accepted this view. He is now considering other possibilities, including an accommodation with the Heng Samrin régime, which would allow him to return to Kampuchea.

"If the U.S., everybody and the UN one day recognise Heng Samrin," he said, "I have to recognise the Heng Samrin régime is the Government of my country.

"If a majority of Kampucheans put their confidence in me, then I would like to go home," the Prince told a Press conference in Peking.

"I do not want to die on foreign soil, even if it is friendly soil," he said. "My ambition is to serve Kampucheans inside Kampuchea."

Prince Sihanouk said he wanted to assist in Kampuchea's reconstruction and had received many offers of help from Western countries.

He had not heen in contact with the régime in Pnom Penh, he said, and his attempts to speak to the Vietnamese had so far heen rebuffed.

United Overseas Bank ahead

By Georgie Lee in Singapore

UNITED OVERSEAS BANK has reported a 46.4 per cent rise in group post-tax profit to S$52.45m (US$23.6m) for the year to December.

UOB said that the group profits did not include the surplus, other than S$894,890, arising from its sale of some 4.47m shares in Singapore Finance at S$3.60 per share to Hong Leong Finance resulting from Hong Leong's takeover offer in January last year. The 4.47m shares were acquired in exchange for 4.47m new shares issued by the bank at S$3.40 per share. The surplus, amounting to S$10.74m, was credited to UOB's share premium account.

UOB said that if the exceptional post-tax profit of S$11.96m arising from the sale of its 50 per cent interest in Advance Building in Hong Kong was taken into consideration, group net profit would rise to S$64.41m.

Faction admits to Iraq attack

BY IHSAN HIJAZI IN BEIRUT

AN UNKNOWN Iraqi faction has claimed responsibility for a grenade attack in Baghdad on Tuesday in which a senior member of President Saddam Hussein's Government was wounded.

The incident points to increasing signs of friction in Iraq between the Sunni and Shi'ite branches of Islam, according to observers here.

An anonymous caller told a Beirut newspaper that the man who threw a grenade at a student gathering at Baghdad's Al-Mostansiriyah University was a member of the "Iraqi Mujahideen" group.

Mr. Tariq Aziz, a member of Iraq's ruling Revolutionary Council and vice Prime Minister, was slightly injured in the attack, which occurred while he was attending the student rally, an official announcement said. Several students were also injured.

The assailant was shot and killed on the spot by security men, the statement said, reporting that the man, Samir Nur Ali, was an Iraqi of Iranian extraction.

The attack could be in retaliation for a bomb incident last November when four were killed in Karabala in Southern Iraq.

Last month an Iraqi was executed after a court found him guilty of bombing a religious procession by members of the Shia community. Karabala is the site of sacred Shia shrines.

Tuesday's incident in Baghdad was viewed seriously by the authorities. President Saddam Hussein himself went to the hospital to visit the injured students. "Terrorism will not frighten us," he told them.

Analysts said the fact that the official announcement mentioned the Iranian background of the person who threw the Baghdad grenade showed that Iraq was blaming neighbouring Iran for the incident.

Relations between the two countries have deteriorated sharply during the past few weeks.

Last weekend both reported a border clash between their regular forces. The incident came after the two countries had recalled their respective ambassadors.

Tehran has accused the Iraqis of sending terrorists across the border to blow up Iranian oil installations and of providing the Arab minority in Khuzistan with arms.

Beirut observers said the "Iraqi Mujahideen" could be a Shia faction loyal to Ayatollah Khomeini, Iran's religious leader. "Mujahideen," which means those who struggle in a holy war, is a title usually used by Moslem fundamentalists.

Some Shi'ites, who constitute about half Iraq's population of 13m, are known to sympathise with the Ayatollah.

Egypt takes stand over Jerusalem

By David Lennon in Cairo

ON THE EVE of the crucial talks on the Middle East in Washington, the Egyptian Parliament has forcefully insisted that the Arab sector of Jerusalem is an integral part of the occupied West Bank and that it must be the seat of the proposed Palestinian autonomy authority.

Despite more than 10 months of negotiations, Egypt and Israel have failed to make significant progress on resolving their differences over the nature and scope of Palestinian autonomy for the West Bank and Gaza Strip.

Jerusalem is the most sensitive element of this disagreement, with Israel insisting that its annexation of the Arab sector after the 1967 war is irreversible.

In a debate on the autonomy talks with Israel, the Egyptian Parliament expressed full support for the Government's position on the illegality of the Jewish settlements in the occupied territories.

Roger Matthews adds from Tel Aviv: Israel reacted sharply to the Egyptian motion. A Foreign Ministry spokesman said it was "not helpful" to the delicate negotiations, and again stressed that Jerusalem would remain the eternal and undivided capital of Israel.

Agencies add: The five Western members of the UN Security Council insisted yesterday that the Council should not consider any resolution for Palestinian statehood until after the Egyptian-Israeli talks have run their course.

In Nepal, Mr. Boutros Ghali, Egypt's Minister of State for Foreign Affairs, said negotiations with Israel may continue beyond the May 26 deadline, if significant progress is made.

Hostages blow for Bani-Sadr

BY OUR FOREIGN STAFF

THE FAILURE of secret exchanges between the U.S. and Iran to obtain the transfer of the 50 American hostages held captive by militant students to the custody of the Revolutionary Council is seen in Western diplomatic circles as a potentially serious defeat for President Abol-Hassan Bani-Sadr.

The continued predominance of the Ayatollah Khomeini and the mullahs, who either positively support the extreme position of the students or are not willing to oppose it, was emphasised yesterday by the official announcements of the first-round of the elections in Tehran for the Iranian Majlis, or parliament.

The Islamic Republic Party, the political organisation of the clergy, gained 12 of the 18 seats in the capital won outright. Another dozen have to be recontested.

In the event, whatever was agreed in the communications between Washington and Tehran Mr. Bani-Sadr felt that he had no choice but to say that President Jimmy Carter had failed to deliver on his part of the bargain.

A White House official said the Carter Administration is not sure what the Iranian leader wants. Mr. Bani-Sadr, however, stressed yesterday: "It is not important to us what opinion President Carter has expressed. What is important is whether or not he takes the measures we have specified."

Ayatollah Khomeini, in his statement yesterday, made no reference to the question of who should hold the hostage diplomats. Once again he merely repeated his position that the issue should be decided by the Parliament.

As a result of the delay in the second round of the elections—following the charges of vote-rigging—the Majlis is unlikely to meet until June. It may take several weeks before the new legislature discusses the hostages' fate.

UK textile industry seeks major changes in MFA

BY RHYS DAVID

LARGE parts of Britain's textile and clothing industry are now on the brink of collapse. More than 450,000 jobs could be lost—well over half the industry total—unless, major changes are made in the framework for world textile trade.

This warning is given in a report released today by the British Textile Confederation (BTC) setting out the measures it would like to see incorporated in the next round of the GATT Multifibre Arrangement (MFA) — the international agreement which regulates world trade in textiles. The report, which is being sent to the Department of Trade and Industry, claims that the existing arrangements, which are due to run out at the end of 1981, have failed to achieve a fair balance of opportunity in international textile and clothing trade. They have allowed imports from low-cost sources to continue to grow at well above agreed limits.

The main demand in the BTC document is for imports from low wage and state trading countries to be brought within new ceilings.

These should be lower than the existing ceilings set for 1982 in the absence of sustained growth in domestic demand between now and 1981-82. Within such ceilings access to the UK market should be more equitably shared between the poorest developing countries and the more advanced developing and state trading countries.

The industry is also urging that the present provision for automatic growth in import quotas—an average of 6 per cent per annum—should be dropped. Instead growth in imports should be related to the level of the domestic market. Where reductions in demand take place actual cuts in imports should follow.

Another key demand is for much tighter arrangements governing imports from the EEC's Mediterranean associates and the Lome countries, which are not covered by MFA bilateral agreements with the EEC. These countries, according to the document, have been allowed to profit from restraints on the growth of imports from other suppliers. Tight transitional arrangements with Greece, Portugal and Spain—the three potential new EEC members—are also urged.

The industry also wants to see the various provisions incorporated within the MFA for dealing with sudden surges in imports applied much more promptly by the EEC than has been the case. And it wants the flexibility allowed to importers to carry forward under-used quotas reduced. A social clause whereby quota levels and growth rates can be reviewed if supplying countries fail to observe international labour organisation rules is also demanded.

Japan in Saudi chemical study

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

A JAPANESE consortium headed by Mitsubishi is to make a joint study with Saudi Arabia on the financial and engineering problems involved in launching a $2bn (£933m) petrochemical complex at Al Jubail on the Gulf coast of Saudi Arabia, it was announced yesterday. The study is expected to be complete in about a year and, it is hoped, will be followed by the establishment of a joint venture company to implement the project.

The agreement to launch the joint study comes just over a year after the establishment of Saudi Petrochemical Development Corporation, a company formed by Mitsubishi and 53 other Japanese companies to carry out a feasibility study of the Saudi project. The study, which was originally expected to take 18 months, is still in progress but Mitsubishi apparently feels that the outlook for the project is sufficiently encouraging to take another step down the road towards its implementation.

The Saudi plant, which would be jointly owned with Saudi Arabian Basic Industries Corporation (SABIC), would produce about 450,000 tons a year of ethylene as well as a variety of downstream products. Most of its output will be exported.

There have been hints that Saudi Arabia, which is already Japan's largest oil supplier, may make available "incentive" oil to Japanese importers if Mitsubishi co-operates fully in the petrochemical project.

The agreement is a further step forward for one of several petrochemical plants SABIC is building or planning with joint venture partners. Mitsubishi is already a member of a consortium which agreed last November to go ahead with building a methanol plant at Jubail. SABIC last week gave the go-ahead for final agreement with Mobil for an ethylene plant at Yanbu. These and other projects are considerably more advanced than the SPDC scheme.

Mobil and Royal Dutch/Shell have each in the past month signed agreements with Petromin, the Saudi state oil company, for export refineries.

Iran helicopter supply stopped

BY SIMON HENDERSON IN TEHRAN

AGREEMENT two weeks ago between Iran and Italy for the resumed supply of helicopters and spare parts has come to nothing because of U.S. opposition.

Italy had agreed to send 10 Boeing Chinook transport helicopters, made by Agusta under licence, after President Bani Sadr said they were needed for rescue work during floods in the south of Iran. But since then the U.S. has been successfully exerting pressure against both shipment and the supply of spares.

The supply of the helicopters would have conflicted with U.S. official policy of stopping the sales of military equipment to Iran while the embassy hostage crisis continues.

Despite the claim for the aircraft on humanitarian grounds, Italian officials say the Agusta company risked its licensing agreement if the deal went through.

According to officials, Agusta has a 20-year licensing agreement to make Boeing and Bell helicopters. If the terms of the licence were broken, an estimated 15,000 jobs in Italy would be at risk.

The withholding of the Chinook helicopters is particularly irritating for Iran because they were only in Italy for a major overhaul. They had previously been operating in Iran and had already been paid for.

Aviation experts in Tehran consider that the shortages of spares within the Iran air force and army aviation corps is now probably acute.

ANA confirms Boeing order

By Michael Donne, Aerospace Correspondent

ALL-NIPPON AIRWAYS of Japan has confirmed that it is buying 25 Boeing 767 twin-engined jet airliners, with an option on 15 more, and has signed in Tokyo a formal contract for the deal, worth more than $1.5bn (£700m).

The aircraft is being built by a consortium in which Boeing leads, but which also includes Aeritalia of Italy, and a group of three Japanese aircraft manufacturers — Mitsubishi, Kawasaki, and Fuji.

To date, the Boeing 767 has been ordered by 12 airlines, with a total of 150 aircraft firmly contracted, and another 134 on option.

India reduces subsidies on engineering exports

BY K. K. SHARMA IN NEW DELHI

IN A surprise move, the Indian Government has revised downwards cash subsidies on a number of engineering goods which are exported. It has also reduced subsidies on exports of certain categories of jute products, handicrafts and mango kernels.

The move is bound to be resented by the Indian engineering industry, whose exports have fallen sharply in the past year due to both lack of demand abroad and to lower industrial output at home, owing to infrastructure constraints.

However, the Government obviously feels that a number of engineering products have become competitive and therefore do not need the support they have been getting.

The Government has now withdrawn subsidies on a number of items such as utensils, axes and household products. Others have been reduced from 7.5 per cent to 5 per cent. Subsidies on a number of products remain unchanged, however, and these include heavy equipment.

Hazel Duffy adds: Indian manufacturing industry will be making a big effort to establish its image as an industrial power by means of its largest ever exhibition to be held from May 19-23 in Rotterdam.

Winds of change: Mozambique warms toward capitalism

BY BRIDGET BLOOM IN MAPUTO

THERE USED to be a conspicuous sign in the Bank of Mozambique—the Central Bank of this avowedly Marxist Leninist State in Southern Africa—which read "Abaixo o Capitalismo" or "Down With Capitalism." A few months ago however the large lettered placard was removed and in its place went "Down With Racism."

Western diplomats, perhaps seeking light relief, now see this as a portent of recent events of considerably more substance. Just two weeks ago, bringing to a head a campaign to eliminate corruption and inefficiency in public life, President Samora Machel delivered a four hour speech in which he roundly criticised the performance of a plethora of State enterprises, declared that "Leftist deviationists" had been responsible for much inefficiency, and insisted that much of the retail trade would be returned to private hands.

The Mozambique leader castigated State companies, taken over when their mainly Portuguese owners left after independence in 1975, with a range of sins. He insisted that they must now make profits, and that managers, for so long subject to the decisions of worker committees, should now begin to manage again.

And, diplomats noted, with some glee, [illegible] speech did [illegible] tion Marxis[illegible] tific sociali[illegible] allies"—the Eastern Bloc countries to which Mozambique has seemed to the outside world to be indebted if not thoroughly wedded.

There have been other signs of a wind of change: In late February, the U.S. research organisation, Business International, gathered together some 30 Western companies—including Caterpillar, Beechams and Sumitomo, for a colloquim in Maputo which was addressed by President Machel himself as well as by most of his senior economic ministers. There have been few concrete results of the conference, but Western diplomats in Maputo see a distinct change in Mozambique's attitude towards economic links with Western countries.

Lord Soames, Britain's Governor of Rhodesia and still a British Cabinet Minister, was enthusiastically greeted by Mr. Machel last week on a visit to Maputo. As he left, Lord Soames declared his "firm impression" that Mozambique wanted closer economic and commercial ties with friendly Western states.

How much difference might this new wind, if such it is, make for Western traders and investors? Sr. Rui Baltazar dos Santos Alves, Mozambique's Finance Minister, said in a weekend interview in Maputo that Mozambique certainly welcomed economic and commercial links with the West. But recent moves did not involve any change in our ideological line laid down at independence." Rather, he felt that Western governments and companies were now understanding Mozambique better a point echoed by Foreign Minister Joaquim Chissano, who declared that Mozambique suddenly seemed to be becoming respectable, following its role in helping to end the war in Rhodesia.

Ministers and officials alike in Maputo stress that Mozambique is, and will remain, a socialist state. Key areas of the economy such as insurance, oil refining, energy and transportation will be reserved for the state, and many other areas are dominated by it.

Nevertheless, Mozambique is seeking foreign finance for its ambitious 10-year plans, due to be published by the fifth anniversary of independence on June 25. The plan, in the words of Mr. Machel, is designed to break the back of underdevelopment by the end of this decade, to provide Mozambique "with an industrial base functioning with agriculture relatively mechanised and with the problems behind us of food supply, clothing, footwear, unemployment, illiteracy and endemic diseases which take a heavy toll of our people."

Sr. Baltazar sees the end of the Rhodesian war—which cost Mozambique some $550m in physical damage and over $500m in lost trade and transit income—as providing the opportunity for the country to free its scarce skilled manpower and resources for its own development. He foresees the need for "significant finance from abroad" for the plan.

The sort of finance Mozambique is looking for from the West is well illustrated by a recent Franco-Italian agreement which provides for some $200m worth of long-term credits, the largest deal Mozambique has ever signed with Western countries.

The central element of the new credits is some $120m for more than 1,000 kilometers of high tension line and equipment to be supplied by the French CGE Alsthom and the Italian SAE as part of the electrification of northern Mozambique. But also included, according to M. Paul Blanc the French Ambassador in Maputo are $25m to $27m for the supply of shrimp boats to bolster one of Mozambique's growing export industries and a further series of contracts, overall amounting to $40m. These will cover the supply of assorted industrial and infrastructure equipment, raw materials and consumer goods. The credits, says M. Blanc are guaranteed by COFACE and range from 10 to 25 years at between 3 and 7½ per cent, thus containing a very considerable "aid element."

Clearly Mozambique would like similar credit lines from other Western countries, including Britain. Anglo-Mozambique relations have improved greatly since the assumption of office by Mrs. Thatcher (whom President Machel described to Lord Soames as being the best British Prime Minister in the 15 years since Rhodesian UDI). We imported from Mozambique last year goods totalling £11m, mainly foodstuffs, while exports totalled £15.7m.

Some of the trade depends on the £22m worth of aid which Britain committed to Mozambique five years ago. Some £8m of this is still undisbursed, since former Foreign Secretary David Owen and President Machel fell out over Britain's previous Rhodesian policy, and Britain cut back on the programme. Lord Soames on his recent visit carefully did not promise more aid, though he said the Government would encourage British companies to examine Mozambique's economic prospects.

But if Western trade, backed by favourable credit, should increase in the next few years, there must be more doubt about the role of foreign investment. The Business International conference highlighted some of the problems. Mozambique does not have an investment code which covers such key matters as the percentage of equity a foreign investor may retain, royalty rates and percentages of profits that may be repatriated, quotas of nationals who must be employed or guarantees against or compensation for nationalisation.

Sr. Baltazar says that Mozambique prefers to look at foreign investment "case by case." We define at the beginning what worries both the foreign investor and the Government and can then build in tailor-made advantages for both parties" he said. The concluding report of the conference commented: "Some attendees view this flexibility as an opportunity to negotiate favourable terms: others see it as a policy of giving as little as possible."

Private enterprise still has a role in Mozambique, particularly in freight and forwarding, and in one bank of new investment, the Mabor Tire Company is a much quoted case but the actual level of foreign investment is very small. Mozambique's two state banks are primary investors, in the $32.5m tyre factory, General Tire has a 3.5 per cent capital share and a technical assistance agreement, as dues Mabor of Portugal. But the total share of those and other foreign investors is less than 10 per cent.

However, Ridpele, a textile company near Maputo has 62 per cent foreign capital, held by numerous Portuguese and Mozambiquan private investors.

Western diplomats talk highly of Mozambique's record as a "good payer," as do the South Africans, who have extensive transport and trade links with Mozambique, only partly a hangover from the days when Portugal ruled the country. But as one diplomat said, when talking about the country's other links with Eastern bloc countries: "This is a fiercely independent country and no one's puppet." One small example of this is the country's refusal—contrary to reports in South Africa and elsewhere—that Mozambique is about to ask the former Portuguese businessmen to return to take over their now nationalised businesses. It was "unthinkable that a barber, a grocer or anyone else who exploited our people can be allowed to come back here as though nothing had happened," Sr. Baltazar said with feeling.

President Machel

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Coal output rise first since 1963

BY MARTIN DICKSON, ENERGY CORRESPONDENT

BRITAIN PRODUCED 109m tonnes of deep-mined coal in the financial year just ended—the first year-on-year increase in output since 1963. It was nearly 4m tonnes more than in 1978-79.

But the Coal Industry National Consultative Council warned that the recession was bound to make 1980-81 a tough year.

This "temporary slackening of markets" must not be allowed to affect improving output and productivity, both essential to the industry's future.

The National Coal Board faces a weak market for coking coals from the British Steel Corporation.

It may also find it harder to repeat 1979-80's record power station sales of 85.5m tonnes—77.3m tonnes to the Central Electricity Generating Board and 8.2m tonnes to the South of Scotland Electricity Board.

Production figures for the year were announced by the Coal Board yesterday. They provide the firmest evidence yet that the industry's £500m-a-year capital investment programme is beginning to show dividends.

The Coal Board described 1979-80 as a year of "Outstanding achievement." The council—representing management and unions throughout the coalfields—sent a message to the 300,000 people in the indutry thanking them for their "effort and co-operation in this impressive year of resurgence for coal."

Miners' productivity increased by 1.5 per cent (by 4 per cent in the last quarter) making overall output 2.27 tonnes per manshift. Attendance improved by six shifts a man. The 30 fatal accidents were the lowest ever, less than half the previous year.

Total coal sales amounted to 124.9m tonnes, more than 9m tonnes more than in 1978-79. Coking coal was the only sector where sales declined—from 8.5m tonnes to 6.9m.

Exports of mining equipment and other services, and small quantities of coal, earned more than £200m.

The Coal Board has yet to announce its financial results for the year. But Sir Derek Ezra, the chairman, has made clear it expects broadly to break even, after Government grants.

Stable prices give oil users a break

BY RAY DAFTER, ENERGY EDITOR

INDUSTRIAL AND commercial fuel buyers are likely to be given a respite from rising oil prices this summer, according to a new survey of industry's energy needs.

The survey*, conducted by Cambridge Information and Research Services, says that stable oil prices may last until the summer and companies with relatively strong purchasing power may be able to negotiate lower prices.

These buyers might obtain reductions of up to 10 per cent on current levels.

Cambridge Information says that this trend should be welcome to fuel buyers who have seen net contract prices for oil products nearly doubling in the past 15 months.

"It should result from lower demand and higher stocks." UK oil stocks stood at the equivalent of 88 days of consumption at the end of January as against 73 days in November, 1978.

The average price for gas oil is now said to be 35p per therm (57.5p per gallon), a 5p per therm increase on prices at Christmas.

Fuel oil prices have risen more slowly in the past 15 months. It was estimated that contract supplies of heavy fuel oil had reached 22p per therm (39p per gallon) — a 10 per cent rise on levels at the end of last year.

The report says that natural gas prices have tended to lag behind rapidly rising oil tariffs. Even so, gas prices were being linked to oil product prices.

It was estimated that companies renewing firm gas contracts would have to pay between 31 and 33p per therm whereas those receiving gas on an interruptible basis would pay 19-21p per therm.

Solid fuel prices had increased over the past year at a rate broadly in line with inflation although not as rapidly as oil costs. On a gross calorific value basis, coal was now 5p to 6p per therm cheaper than heavy fuel oil.

"Although efficiency in use often invalidates this comparison, new and efficient coal burning plant could now be highly competitive in fuel cost terms," says the report.

* *"Energy for Industry and Commerce," quarterly report of Cambridge Information and Research Services, School House, Heydon, Royston, Herts; £25 annually.*

Changes in retirement annuities deferred

BY ERIC SHORT

THE Inland Revenue has changed its mind over Budget proposals for changes in tax relief for retirement annuities. The decision follows strong representations by the Institute of Chartered Accountants and the British Insurance Brokers' Association.

The Chancellor last week proposed several changes in the tax reliefs granted on contributions to retirement annuity policies enabling the self-employed to make pension provision.

These included changes in the system of carrying forward tax reliefs and in the entitlement of tax relief based on earlier year assessments.

Under the new system relief will be based on assessment for the year in which the premiums are paid and not, as previously, on the year in which the earnings arose to which the premium relates.

The Revenne said on Bndget day that this change-over would take place on April 6, 1980—the start of the new financial year. The accountants and insurance brokers immediately pressed the Revenue for a long transitional period because of the lack of time available to implement the changes.

This proposal will mean less tax relief under the new system, although all the other proposals favoured the self-employed, since tax rates are lower now than in the years before 1979-80.

The complaint of the accountants and insurance brokers was that it involved major changes in financial planning for their clients and they had literally only a few days to advise and implement action nnder the old system.

The Revenue yesterday announced that the change-over will now take place on April 6, 1981, giving the accountants and brokers 12 months in which to advise their clients.

The professional bodies concerned are awaiting publication of the Finance Bill before deciding whether to seek amendments to the proposed changes.

Judge sets aside council ban on conveyancers

THE HIGH COURT decision earlier this week to grant an interim injunction prohibiting Redbridge Borough Council from refusing to deal with Houseowners Conveyancers will please conveyancers who are not solicitors.

The decision, which does not pre-judge the final outcome of the dispute, was made by Mr. James Comyn, Q.C., sitting as a High Court judge in chambers. The conveyancers were represented by Bindeman and Partners, a firm of solicitors which often appears in complaints by minority groups.

Houseowners Conveyancers is suing the council for alleged interference with contracts concluded between the conveyancers and tenants buying council houses. The council made it a condition of sale that the tenants should not be represented by conveyancers, though it is willing to deal with purchasers who do their own conveyancing.

Both the condition included in the terms of sale and the fact that the council kept returning letters sent on behalf of the tenants by Houseowners Conveyancers were inducing the tenants either not to approach the company or to give up contracts already concluded with the conveyancers. Though the final decision as to whether this was a prohibited inducement to a breach of contract is as yet uncertain, the judge decided that, on the balance of convenience, the council should for the time being give up its refusal to deal with the conveyancing.

The case is of particular importance to the conveyancers because the Greater London Council recently transferred to Redbridge 3,000 houses which will be sold to tenants. The company charges smaller fees than solicitors.

Belfast ferry link reopens

P & O Ferries' Belfast to Liverpool service resumed last night for passengers and cars in both directions.

The company said the decision followed the announcement that the docks strike at the port of Liverpool over the steel dispute has ended.

'Brisk' new industry body urged

By Alan Watson in Belfast

THE Northern Ireland Economic Council yesterday gave details of its proposal for radical changes in industrial development policy, following the Government's decision not to alter the present system.

The council, which was set up to advise the Government on the regional economy, spent nine months preparing its plan for an Economic Development Authority along the same lines as the successful Industrial Development Authority in the Irish Republic.

Sir Charles Carter, the chairman, said he was disappointed that the Government was to keep "the present division of responsibility" among the four departments and agencies handling industrial developments, an arrangement which appeared confusing to potential investors.

The council's advice to the Government, supported by many other submissions, was for "a brisk and efficient" agency outside the Government, headed by a board with civil service, union and industrial representation.

● Thousands of Ulster workers left their jobs early yesterday to join demonstrations against Government spending cuts in Belfast and 11 other centres. The protests disrupted industry and commerce.

Hesketh launches British 'superbike'

A BRITISH motorcycle venture aimed at a share of the growing 1,000 cc "superbike" market was launched yesterday at the Northamptonshire estate of Lord Alexander Hesketh.

Hesketh Automotive Products, the engineering company controlled by Lord Hesketh and employing 95 people at his Easton Neston estate, has invested £½m and more than two years of work in developing the motorcycle. Called the Hesketh 1000 Vee Twin, it is designed to compete with BMW, the Italian specialist makers such as Laverda, and the largest Japanese motorcycles at the top of the market.

The "superbike" category is one of the few where European manufacturers have partly fended off domination by Japanese imports. Even so, the Hesketh venture, amid the near-demise of the British motorcycle industry, must be regarded as ambitious.

And while low-volume production is to start in the summer at Eastern Neston, production of 1,000 or more units a year will require Hesketh to find a British partner to manufacture it, entailing further investment estimated at close to £1m.

Lord Hesketh said yesterday that several potential partners had already expressed interest on the basis "that it's not yet another of those great British prototypes." All development work on both the motorcycle and production machinery has been completed, according to Hesketh.

The rationale behind the venture, says Lord Hesketh, is that "the market is there; it's expanding; and it would be very sad not to see a British maker in it in volume." Sales of motorcycles of over 750cc have more than doubled, from 4,480 in 1977 to 11,300 last year, and the industry is predicting sales for the category of about 15,000 in 1980.

Hesketh's current project is aimed at just one area of the market, and not a price-sensitive one: the machine will sell at about £3,500 if made in volume, rather more if not. But Lord Hesketh indicated that in the longer term it would seek to broaden the area in which it would compete. It has been designed from scratch to comply with EEC regulations.

Hesketh believes the 140 mph motorcycle will benefit in the marketplace from the Hesketh name's sporting association—Lord Hesketh spent £½m of his own money on the grand prix racing team which launched James Hunt to his world championship title.

NEW APPROACH URGED TO BIOTECHNOLOGY

Science 'failure' attacked

BY DAVID FISHLOCK, SCIENCE EDITOR

THE Government has been urged in a report from its scientific advisers to treat biotechnology—including genetic engineering—as seriously as it treats micro-electronics.

British industry is failing to respond to biotechnological opportunities as rapidly as its main competitors—West Germany, Japan and the U.S.—says the report* from a joint working party drawn from the Government's Advisory Council on Applied Research and Development (ACARD), the Royal Society and the research councils.

Biotechnology—the application of living organisms, systems or processes to manufacturing and service industries—will create new industries with low energy demands "of key importance to the world economy in the next century," says the working party, which is chaired by Dr. Alfred Spinks, formerly ICI's research director and now chairman of Charter Consolidated, and includes Sir Austin Bride, chairman of Glaxo Holdings.

Constraints on development, such as the lack of funds to bridge a "pre-development gap" between primary research and commercial development, should be removed, says the report.

"Strategic applied research is in general ill-served by our research funding mechanisms, especially in areas where there are neither university departments to promote it, nor well-developed industries to provide market pull."

The report said there were no university centres devoted to biotechnology in Britain, causing a shortage of new ideas and people for industry. The working party also fund that government policy in one sector hampered progress elsewhere. Biotechnology had therefore failed to develop coherently.

The report urges firm commitment to strategic applied research, producing potentially marketable products and processes.

The working party calls for a joint government-industry effort to establish a biotechnology industry, involving "a commitment, financial or otherwise, at least comparable to that taken or contemplated by our major industrial competitors."

Their main recommendations are:

● Research councils should substantially increase their support for biotechnology, co-ordinating their efforts under a joint committee.

● The Government should set up a biotechnology support unit similar to the Energy Technology Support Unit at Harwell.

● The Industry Department should fund the Centre for Applied Microbiology and Research (formerly the Microbiological Research Establishment of the Ministry of Defence at Porton) to strengthen the industrial side of its programme.

● NEDO's sector working parties should be alerted to the industrial opportunities in biotechnology.

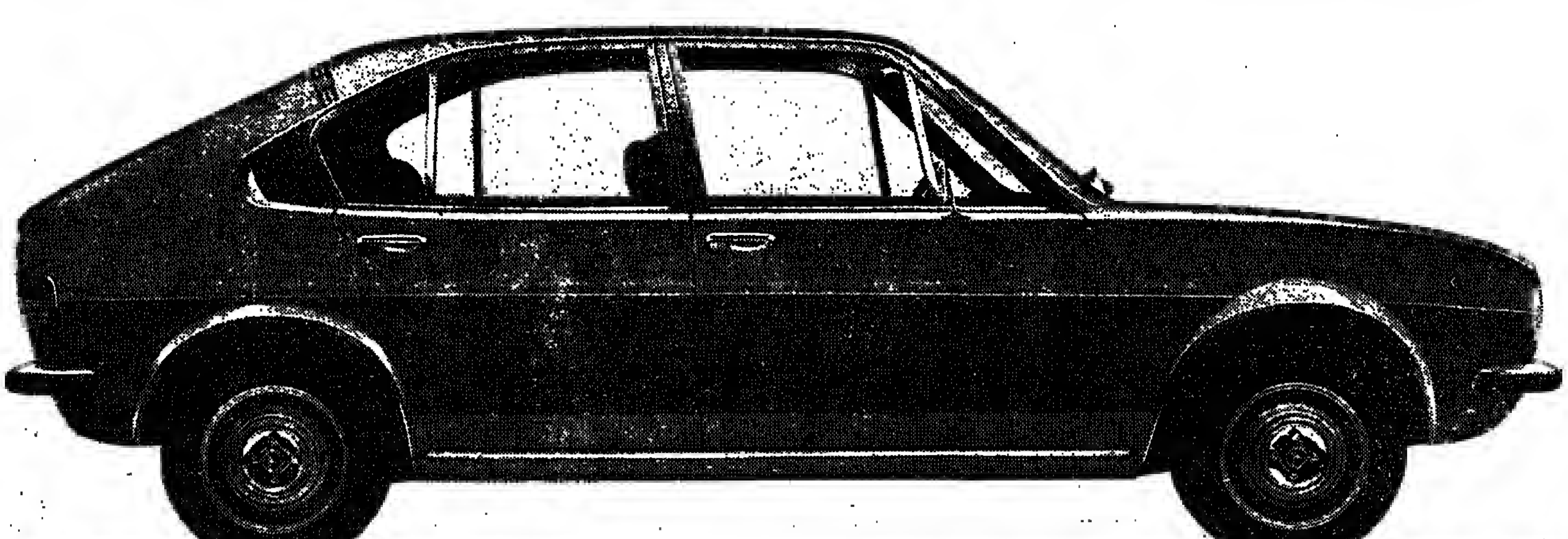
● A new trade association for biotechnology should be formed, for closer contact between plant suppliers and researchers, with special attention to export opportunities to developing countries.

● The National Enterprise Board should set up a research-orientated biotechnology company—a £2m launching investment is suggested.

● The National Research Development Corporation should play a more entrepreneurial role in biotechnology.

On genetic engineering, which attempts to make living organisms more amenable to industrial use, the scientific advisers — who include Sir William Henderson, chairman of the Government's committee on hazards in genetic engineering — find "impressive evidence" that many of the earlier safety fears were unfounded.

* *Biotechnology: report of a joint working party, HMSO, £3.*



Midland discloses deposit details

BY MICHAEL LAFFERTY

MIDLAND BANK has become the second major London clearing bank to provide shareholders with new disclosures about its affairs. For the first time, Midland's annual report includes an analysis of group deposits and advances.

The report shows that Midland got only 24 per cent of its total deposits from interest-free current accounts last year, against 31 per cent in 1978.

The proportion of deposit and wholesale funds changed little between the two year-ends, but the proportion of currency deposits is up from 25 to 34 per cent of the total.

The analysis of group advances shows few changes from 1978. Only an eighth of Midland's advances are shown as overseas.

No other clearing bank has published this information, although German banks have been giving it for some time.

Last month, National Westminster Bank took another step towards fuller disclosure of its affairs by publishing an analysis of its income and expenses for the first time. So far, this information is not published by any other major clearer.

Midland's report shows that Lord Armstrong, the chairman, received a pay rise of a third in 1979, but Midland's highest paid director received only £61,600, against £63,300 in 1978.

Among higher paid employees, the annual report shows many substantial pay increases: 161 employees received between £20,000 and £25,000 last year, against only 37 the previous year. A further 50 employees earned between £25,000 and £30,000, against six in 1978, while nine were in the band from £30,000 to £35,000, against 13 in 1978.

In 1978, no employee received more than £35,000. However, in 1979, three employees received between £35,000 and £40,000, eight were in the £40,000 to £45,000 band, and two received more than £45,000.

Instalment credit record set

Financial Times Reporter

FINANCE houses set a record in instalment credit lending in 1979. Members of the Finance Houses Association extended £4.8bn in new credit, and outstandings at the end of the year were almost £6bn.

Industrial finance grew 35 per cent in money terms in 1979, while consumer finance grew 25 per cent.

The association's annual report notes a trend towards second mortgage finance during the year.

"A scarcity of building society funds has resulted in many people deciding not to move house but to extend or otherwise improve their existing homes. There is also a trend towards seeking first mortgage facilities from finance houses."

'Significant' gas and oil find confirmed

BY RAY DAFTER, ENERGY EDITOR

THE MARATHON group of offshore exploration companies has confirmed an important oil and gas discovery near Brae Field in the North Sea.

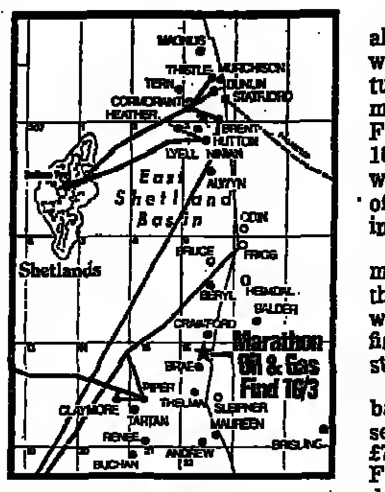
Marathon Oil, a U.S. based company and operator for the group, said yesterday its exploration well in block 16/3a had found a "potentially significant source of energy."

The comment, after months of speculation, contrasts with North Sea oil companies' normal conservatism. It underscores industry opinion that the licence concession almost certainly contains a commercial oil and gas field.

Tests by the Aladdin semi-submersible rig resulted in an oil flow rate of more than 15,000 barrels a day. The reservoir also contained sizable quantities of natural gas, which flowed at rates of 16.6m to 28.8m cubic feet a day from various levels.

The discovery is even more significant because the oil is of premium quality, even by high North Sea standards. Average specific gravity is said to be 49 degrees API.

Oil flows were tested from five levels in a 655-foot cross section



of Jurassic rock at depths of 12,900 feet to 13,555 feet.

The maximum rates tested in the five intervals were: 2,653, 3,617, 3,048, 2,545 and 3,184 barrels a day.

Marathon said two sections between 13,555 feet and 15,415 feet were also tested. In one, a small volume of oil and gas was produced. Salt water and natural gas was produced from the other.

The company said it was almost certain another well would be drilled on the structure. It lies just over nine miles from the group's Brae Field discovery well in block 16/7a. This latest 16/3a well was some 150 miles north-east of the Scottish coast and drilled in about 370 ft of water.

The Aladdin rig is being moved about 1.3 miles west of the Brae discovery, where it will appraise further the configuration of the complex Brae structure.

Marathon and its partners have already committed themselves to spending more than £700m on exploiting the Brae Field's southern portion. The development should tap some 300m barrels of recoverable reserves. Production should begin in 1983 and is due to rise to a rate of more than 100,000 barrels a day.

Partners with Marathon are: British National Oil Corporation, Bow Valley Exploration, Kaiser Exploration, Louisiana Land and Exploration, Saga Petroleum, Siebens Oil and Gas, and Sunningdale Oils, a subsidiary of Kerr-McGee Corporation.

NEB ready to discuss Hambros Fairey offer

BY CHRISTINE MOIR

THE National Enterprise Board has agreed to start talking terms with Hambros Bank over the bank's £19.5m cash offer for Fairey Holdings, the engineering company.

In a joint statement yesterday, the NEB and the bank said that negotiations had started for the sale of Fairey's share capital to a consortium of about a dozen financial institutions headed by Hambros.

If the deal is successful — and it already has the support of Fairey's board under Mr. Angus Murray — 5 per cent of the equity would be reserved for Fairey employees.

Hambros first made its offer for Fairey in late February but received a very guarded response from the NEB, which stressed that it was talking to several interested bidders. An initial condition of Hambros' offer was that these should not proceed while the NEB-Hambros negotiations continued.

That condition has now been waived. Yesterday's statement said that the negotiations were "subject to no higher offer being made."

While the talks continue Hambro's offer, due to expire yesterday, has been extended, but the terms remain indefinite and subject to negotiation.

They are unlikely to be affected, however, by Fairey's own performance, which has been in line with expectations. On Tuesday the company announced pre-tax profits of £5.092m (1978—£5.152m), and while there are prospects of some growth in the current year 1980 profits are not expected to be dissimilar.

The tough negotiations could come when the institutions begin delving into Fairey's financial affairs, following the NEB's agreement to open its books to them.

Universe Tankships wins court battle over ITF welfare fund

A LIBERIAN shipping company has won an important legal victory over the International Transport Workers' Federation (ITF).

In the High Court yesterday Mr. Justice Parker ruled that Universe Tankships Inc. of Monrovia—part of the group headed by shipping magnate Daniel K. Ludwig—was entitled to recover $6,840 paid to the ITF's welfare fund.

The payment was part of the price for the release of the 269,000-ton tanker Universe Sentinel when it was "blacked" by the federation at Pembroke Docks in July, 1978.

The judge said it was intended that the money should be held in trust for the welfare fund which, at the end of 1978, had contained £7.6m. But because, as the federation had conceded, the fund's purposes were not charitable, the trust was void and the money repayable.

Universe had also paid the money under duress, said the judge. The federation's demand had not been validly made in furtherance of a trade dispute—the welfare fund being unconnected with seamen's terms and conditions of employment—and had therefore not been covered by the legal immunities afforded by the 1974 Trade Union and Labour Relations Act.

The judge added that the federation had said that if he found against it on the welfare fund issue it might have to repay other shipowners who had contributed to the fund. But that would be no reason for reaching a different conclusion, the judge said.

He also ordered the ITF to repay to Universe part of the $71,720 the company paid under the "ransom" package as back wages to bring the pay of the Universe Sentinel's crew up to ITF levels.

Some of the crew had freely assigned their shares in that money to the company, which was therefore entitled to those amounts, said the judge. The federation's counterclaim for an additional $251,761 crew back pay was dismissed.

The decision goes some way towards redressing the legal balance in the long-running battle over flags of convenience. Recent House of Lords decisions have gone in the ITF's favour, by holding that its activities to improve seamen's conditions are legitimate in furtherance of a trade dispute.

The federation said later that it would appeal against the judge's rulings.

● Last year the federation recovered $14m from shipowners underpaying crews of flag of convenience ships, despite agreements to pay ITF recognised rates. About 250 ships were involved and the amount recovered was around $3m up on 1978, according to an article in the April edition of Lloyd's Ship Manager.

Brewing engineers face tough times

BY GARETH GRIFFITHS

IN THE next two years the UK brewing engineering industry is likely to face much tougher foreign competition, a decline in equipment investment at home and the possible need for short-time working.

Brewex '80, the brewing machinery exhibition in Birmingham recently, gave 15,000 visitors the impression that the industry was alive and flourishing. But there were more than 120 foreign exhibitors at Brewex.

Estimates of import penetration range from 20 per cent to well over 50 per cent.

Of 40 to 50 companies in the UK industry 14 have gone out of business in the past 18 months. Some companies say they are so short of work that customers are placing orders at prices below cost.

The average length of order books appears to be five or six weeks. This compares with the mid-1970s when the expansion of breweries' capital equipment investment kept the machinery sector afloat.

Order books for the larger companies such as S. Briggs, APV Henry Balfour, Morton DG Robert and Burnett and Rolfe average more than 15 months.

Estimates of import penetration vary from product to product and company to company. British manufacturers have done badly in products such as stainless steel vessels and utensils, centrifuges, beer filters, palletisers (storage equipment) and mash filters.

They maintain a position in aluminium kegs, advanced control systems, and valves and racking equipment. In packaging and bottling, imports have been dominant for some time, excluding draught beer containers.

The large-scale purchase of foreign brewing equipment started in the early 1970s with the great boom in lager consumption. Plant had to be built in a hurry. Imports were needed simply to meet deadlines.

Breweries were also impressed by the greater experience of European companies, which were accustomed to producing larger-scale machinery.

Foreign competition is expected to become much fiercer because of stagnant demand on the Continent.

Companies such as Alfa-Laval (Sweden), Holvrieka (Dutch), Meura (Belgian), Ziemen (West German) and Steinecker (West German) tend to be much larger than their British counterparts, so are more able to go for bigger contracts and sustain lower margins.

The Government, through the Department of Industry and National Economic Development Office sector working parties, has already expressed concern. An analysis by the Department last year found that the overall trade balance for food, drink and packaging machinery had changed from steady improvement to deterioration by about £1m a year.

The plight of the UK companies is made worse because demand in other sectors the engineering companies build for—chemicals and dairy processing—is weak. No precise figure on brewers' investment is known for the next two years.

However, Brewers' Society estimates of £991m expenditure in 1980 and 1981 suggest that two-thirds of investment will be mainly for pubs.

The size of the brewing machinery equipment market has been put at about £60m a year, with a decline in real terms. There has also been a long-standing argument about over-capacity in brewing.

Examining the relationships between suppliers and brewers, the 1978 report of the NEDO joint steering group for machinery development urged much closer and continuing links in brewing and soft drinks.

The report found little co-operation and awareness of what the other side wanted. A survey by Allied Brewers and the Brewers' Society said overseas suppliers were seen as quicker to respond to change. They were also more geared to technical changes.

Eighty per cent of import expenditure was on equipment which UK manufacturers might have supplied, but for price, delivery or design.

The report came out in February. By November 1978 the brewers, under the auspices of Mr. William Tindall, director of engineering services at Bass, had drawn up what was in effect a declaration of intent.

For the first time this formally committed brewers to consider buying British before they purchased overseas. There was also to be a move to bring suppliers and purchasers together.

This received impetus from the NEDO sector working parties and both sides agree there is now closer contact.

Mr. Edward Everest, secretary of the Process Plant Association which represents the brewing engineering companies, said that there appears to be greater co-operation.

Mr. Tindall says the effects of the declaration will start to percolate through in the shape of orders. Bass, his company, buys British equipment where it can and the other large brewers have a similar stated policy.

A majority of members of the Brewers' Society have also made such a commitment.

The engineering industry views the brewers' purchasing policy as similar to the chemicals industry's—opting for the best package in price and delivery.

The brewers reply that they are in a highly competitive market, with expansion of demand slowing. British goods are considered, providing there is no overwhelming price or quality advantage for imports. But it is essential their purchasing staff get the best deals possible.

Whitbread's new £50m Magor Brewery in South Wales has caused some adverse comment among brewing engineering companies. Most work has gone to foreign companies, notably Holvrieka.

The brewers have made placatory noises to the engineering suppliers about better standards of their products and at company level contacts have improved. But the suppliers are still far from satisfied that the declaration of intent can be made to stick.

Granada ordered to name informant

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

GRANADA TELEVISION must name the person who leaked confidential documents belonging to the British Steel Corporation, a High Court judge ordered yesterday.

Rejecting Granada's plea that it should be allowed to keep its informant's identity secret, Sir Robert Megarry, the Vice-Chancellor, said that Granada's part in the affair had been a flagrant breach of confidence.

"The case is one, not of the exposure of iniquity, but of exposure by iniquity, and of exploiting the fruits of wrongdoing.

"Granada is saying that, although they have knowingly and publicly infringed BSC's confidences, they are entitled to maintain the confidentiality they promised their dishonest source of information."

The judge suspended his order until April 16 for Granada to consider an appeal.

The top-level policy documents formed the basis of a World in Action programme on February 4, which laid much of the blame for the present state of Britain's steel industry on poor management.

BSC complained that the documents had been returned "mutilated and censored" so as to make it impossible for the source of the leak to be identified.

There was, the judge said, no recognised public interest requiring the confidentiality of the media's sources to be protected.

The Press had often exposed wrongdoings which might otherwise have remained hidden, and to that extent was no doubt promoting a public interest. But that was only a minor part of its activities.

The Press sought to make money by providing the public with a useful service. In the Press, news predominated over entertainment; with television, entertainment predominated over news, he said.

So-called investigative journalism, as Granada claimed its programme had been, occupied but a small part of the media's productions.

Nor was investigative journalism always beneficial to the public. There had been exposures of non-scandals, the impairment of the fair conduct of criminal trials, and grave and unwarranted invasion of privacy.

The judge readily assumed that the media's activities were, in the main, beneficial to the public. But they were not in the same category as, say, the police, the protection of whose informants was recognised as being in the public interest.

Disclosure of Granada's source was needed if the BSC was to protect itself against a real peril. To deny the corporation that information would be a denial of justice, because the BSC had clearly been wronged, said the judge.

Granada said last night: "The judgment has grave implications for all kinds of journalists, and particularly investigative journalists, in that sources of information will dry up if informants fear a court is going to compel disclosure.

"Consequently, it is our intention to lodge an appeal."

● British Steel solicitors are serving a writ for damages on the Daily Mirror over a front-page article on March 20 which said British Steel chiefs were "pressing for 40 per cent pay increases while refusing to give striking workers more than 14 per cent."

The Corporation said it was advised that the story contains serious libels on the Corporation and on executives named.

Education department staff to increase

By Robin Pauley

THE Department of Education and Science is the only central Government department expected to increase its number of civil servants this year compared with last.

The 1980-81 supply estimates (Chief Secretary's Memorandum) released yesterday show that the estimated staff complement on April 1 for the department is 5,019 compared with 4,825 on April 1 last year, an increase of 4 per cent.

The number of civil servants in all other central Government departments is estimated to fall, although in many cases only marginally. The 1980 total of 712,125 is a fall of 3.8 per cent compared with the 1979 figure of 740,195.

Defence staff, including staff of Royal Ordnance factories, is expected to be 259,513 compared with 270,866 a fall of 11,354.

Industry, energy, trade and employment staff are expected to fall from 74,729 to 71,513. Social Security staff falls from 87,504 to 85,370.

Analysis within the departments shows a big drop in the Environment Department, including the Property Services Agency, where the staff is down from 49,341 last year to 45,456.

Home Office staff numbers are virtually unchanged at 34,726, only two fewer than last year. At the Civil Service Department the estimates show a fall of only 1.5 per cent from 3,425 to 3,371.

One of the few departments to show any significant rise in staff is the Civil Service Pay Unit, up from 74 to 91—an increase of 23 per cent.

New air space agreements on Euro routes

By Michael Donne, Aerospace Correspondent

PASSENGERS FLYING on European short-haul routes this summer should experience fewer delays than in previous years, as a result of new international agreements.

The Civil Aviation Authority's National Air Traffic Services said yesterday that new agreements with France and Spain will give increased allocations in European air space to UK flights.

This means that, apart from domestic industrial difficulties which might delay flights, the prospect of a repetition of the severe delays in past summers is minimised.

"The UK Government and the National Air Traffic Services are doing all they can to minimise delays to air travellers," said the traffic services.

"Most of the causes are outside the UK's control, but action in Europe has been stepped up through the International Civil Aviation Organisation, the International Air Transport Association and the Eurocontrol air navigation organisation."

● Air Europe, the UK airline formed in 1979 for holiday charter flights between the UK and the Continent, has applied to the Civil Aviation Authority for a licence to fly scheduled services between Gatwick and Miami, Florida.

The airline, in its first bid for a scheduled route, seeks to operate up to eight flights a week throughout the year, and wants the licence effective from July for ten years. The airline intends to use wide-bodied jets on the route.

February beer output up 7%

Financial Times Reporter

BEER PRODUCTION in February was more than 3m bulk barrels, an increase of 7 per cent on the figure for February 1979.

Brewers' Society figures yesterday said 3,002,602 bulk barrels were produced, against 2,805,009 last year. The increase was attributed to good weather, pre-Budget stocking and the extra day of Leap Year.

'Disastrous' loss hits rail freight recovery

BY LYNTON McLAIN

THE THREE-MONTH steel strike has had a devastating effect on British Rail's freight services after a year when strikes in BR and a "chronic shortage of locomotives" caused a loss of £9m. The profit target was £20m.

Rail freight lost £26m revenue as a direct result of the strike, which also had a direct and unprecedented effect on rail activities in general.

Mr. Henry Sanderson, British Rail's chief freight manager, said yesterday that the lost revenue marked a "disastrous" start to the year.

However, the rail freight operations stand to lose substantially more than £26m over the estimated four weeks still to go before iron and steel transport recovers.

British Rail Engineering, at Derby, which makes all BR's rolling stock, was forced by the strike to build 125 miles-an-hour high speed trains without wheels, because of the steel shortage.

Wheels that have been made for other rolling stock have been reduced in thickness. BR said that, after taking account of safety, "wheel and steel tyre thicknesses of almost all locomotives, passenger and freight vehicles have been cut back."

Repairs of locomotives vital for the recovery of rail freight this year would have been affected if the strike had continued.

The lack of locomotives last year was a "chronic shortage of resources" caused by severe maintenance problems at BR Engineering and repair depots.

But the slump in the performance of rail freight was also caused by the failure to cut freight movement costs and raise productivity.

Mr. Sanderson said that a major breakthrough in rail freight productivity was absolutely fundamental to the future of freight.

Talks are now underway with the rail unions, and the BR board is determined to make an impact this year if the target of £100m profit by 1990 is to be realised.

The ultimate plan calls for 458 rail freight terminals and 38 wagon marshalling yards to be phased out.

Smaller companies show bigger growth

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SMALL COMPANIES are more successful than large ones at creating new manufacturing jobs, according to a study published yesterday by the Scottish Office.

Using data from SCOMER, a record of the performance of all but the smallest manufacturing units in Scotland, a special article in the Scottish Economic Bulletin shows that companies with fewer than 200 people on their payrolls have consistently provided more employment growth.

From 1964 to 1969, for example, there was a net increase of 21,000 jobs in small companies in Scotland, while larger companies managed only a tenth of this growth.

In the following five-year period—one of extreme difficulty in the Scottish economy—there was a net increase of 430 jobs in the small company sector compared to a loss of 36,000 in larger companies.

The study has policy implications for the Government and bodies like the Scottish Development Agency, which has been trying to encourage the formation of more small companies and the growth of existing ones.

The evidence suggests that the rewards of backing small enterprises can be high, but the risks are also great. The job expansion of small companies is far higher than of bigger ones, but this is partly offset by more contraction and closure.

The study also shows that only a relatively small number of companies made the transition from small (employing fewer than 200 people) to large. Some 220 did this during the 20 years up to 1974, and most of these were either foreign-owned or part of a multi-plant UK organisation.

Scottish Economic Bulletin, No. 20. HMSO £3.50.

Tories win corporation tax action

THE CONSERVATIVE Party won its High Court battle with the Inland Revenue yesterday over rate of tax on income from its short-term investments.

Mr. Justice Vinelott, in a reserved judgment, upheld a claim by the Conservative and Unionist Central Office that it was liable for income tax (30 per cent) and not corporation tax (52 per cent) as claimed by the Revenue.

He set aside an assessment for £200,000 corporation tax for the years 1971 to 1976 and directed that any excess tax paid should be repaid to the Tory Central Office with interest. The Central Office was awarded costs of the appeal.

The judge said that the Tax Commissioners' conclusion that the party was an "unincorporated association" and therefore liable to pay corporation tax was "absurd" and misconceived in law.

But the Commissioners had felt obliged to accept the Inland Revenue's contention that the law required the party to be treated as an unincorporated association in order to give effect to the wishes of those who provided the funds.

That conclusion, said Mr Justice Vinelott, was the result of placing too great an emphasis on previous legal decisions.

Safety award to Union Carbide

UNION Carbide UK Limited has won the Sir George Earle Trophy, the highest annual safety award of the Royal Society for the Prevention of Accidents, given for work in preventing industrial accidents.

Mr. Gordon F. Chapman, director of the occupational safety division of ROSPA, said Union Carbide's overall approach to the subject was particularly impressive, and its work on "off the job" safety aspects was also a factor in its success.

BXL expansion lifted to £6.6m

BXL PLASTICS, part of the BP Chemicals group, is to spend a further £2.1m on expanding plastic bottle production at Leicester.

The company, which had turnover of £76m last year, has just completed the first phase of a £4.5m investment programme at its two Leicester plants. Total spending will now be £6.6m.

BXL estimates that UK sales of plastic bottles up to two litres will rise by about 5 per cent a year to reach 1.8bn in 1984.

Government to test plan for combined heat-power

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE GOVERNMENT is to seek sites for pilot projects into the feasibility of using the system known as combined heat and power for district heating.

Mr. David Howell, the Energy Secretary, said this yesterday in the Government response to the Marshall Report on combined heat and power published last July.

The report, drawn up under the chairmanship of Dr. Walter Marshall, concluded that this could be a "viable economic option" for buildings of high-density heating loads, and recommended that pilot schemes be started as soon as practicable in one or more towns.

The idea of combined heat and power is to take reject heat from power stations, in hot water or steam, and use it to warm nearby buildings.

Mr. Howell said the crucial test for the system was whether it would increase energy supplies economically and without undue disturbance to daily life, and that this could be decided only by detailed examination of particular locations.

It was an option that must be kept open.

Possible sites would first be identified and a full investigation mounted into one or two which might be used for pilot projects.

The Central Electricity Generating Board welcomed Mr. Howell's announcement and said that it was already holding talks with two councils about possible schemes. One was the London Borough of Southwark, the other Newcastle City Council.

Mr. Howell rejected a majority proposal in the Marshall Report that a national heat Board be established to co-ordinate development of combined heat and power. He considered this unnecessary at present.

Drop-forgers urged to export into EEC

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE DROP-FORGING industry, with about half its 23,000 workers on short time, was urged yesterday to increase sales to car-assemblers in the Common Market.

Car imports from the EEC, not Japan, posed the real problem for British industry, Mr. Ted Leybourne, president of the National Association of Drop Forgers and Stampers, told the annual meeting in Birmingham.

"I reckon that for every two foreign cars which come in we lose a job in Britain. So if we could satisfy our home market with British cars, another 400,000 jobs would be available."

Such progress would result in many more jobs in ancillary and service industries, Mr. Leybourne said.

Drop-forging, in response to weak home demand last year, raised exports by 27 per cent, lifting total output to more than 450,000 tonnes, an 8.3 per cent improvement on the previous year.

Mr. Leybourne said that sales to the U.S. had been reduced because of the weakness of the dollar against the pound. But such currency handicaps did not arise with the Common Market.

"Of course, there are problems, such as different steel qualities, different standards, and the distances involved. But all these can and must be solved."

The success of the industry in the present decade would depend in part on the stability of the car industry. "The car and commercial vehicle sectors traditionally take about half the output from the industry."

Strike cost British steel more than £10m a week

BY ROY HODSON

THE 13-WEEK strike has cost the British Steel Corporation more than £130m.

The strike's cost has had to be added to the corporation's cootinuing loss of up to £7m a week, a rate it has been unable to reduce during the last two years.

In one month during the strike—February—British Steel is known to have lost £75m.

The return to work may be hampered at some plants by resignations of key staff during the strike. It is understood there has been a steady drift since January of such specialists as computer programmers, electronics experts, and other technical staff with degrees or advanced skills.

The electric arc furnaces in the Sheffield area and some other steelmaking centres, which comprise 20 per cent of the corporation's steelmaking capacity, should be in production again by tomorrow night.

Many will be run flat out throughout Easter.

Finished steel should begin to be delivered to industry and steel stockholders within days. Preparations by British Steel before the strike iocluded manufacture and stockpiling of quantities of semi-finished steel. The intention is to process that into sheets, bars and sections as fast as possible.

But Mr. Bob Scoley, chief executive of British Steel, said yesterday it would be several weeks before all blast furnaces can be worked up to full production.

But British Steel is unlikely to pass on the full cost of price increases this year for raw materials such as iron ore and coal.

BSC and customers may need months to count the cost

BY OUR INDUSTRIAL STAFF

IT MAY be three or four months before the British Steel Corporation finds out whether the strike has permanently lost it part of the 55 per cent share of the UK steel market it held before the stoppage started.

The worst-hit major customer, Metal Box—which relied on BSC for 90 per cent of its tinplate supplies and had to lay off 6,000 of its 15,000 workforce in 24 factories as stocks petered out—has already decided to re-examine its steel-buying policies as "a duty to its customers and its workforce." This may lead to less dependence by the company in future on BSC supplies.

Metal Box says it cannot start taking people back to work uotil steel starts coming in, either from BSC or through imports. The speed of BSC's renewal of supplies will obviously be a factor in the re-examination of its policy.

Speed and reliability on delivery dates by BSC will also be vital in the attitude of the steel stockholding industry, which, as the corporation's largest single "customer group," has asked for "top priority in order to replenish stocks."

Mr. Richard Rawlins, director of the National Association of Steel Stockholders (NASS), said yesterday that BSC "has responded favourably to our request."

But he said its credibility would be tested more in the rebirth of activity than during the strike, and much would depend on BSC's performance over the next three months.

The goodwill of the members of NASS is extremely important to BSC. The stockholders' share of the market in steel supplies to British industry stands now at 39.4 per cent. As a result of its success in maintaining supplies to customers during the strike it was largely responsible for bringing much of UK industry mainly unscathed through the last three months and now expects its share of the market to rise to 44 per cent within the next few weeks.

When asked if they were considering changing their sources of steel, many individual companies said they had relied either wholly or largely on stockholders for their supplies.

Few companies which had obtained foreign steel directly were williog to identify themselves, and they were reluctant to say if they had had to commit themselves to long-term cootracts with overseas suppliers. The importance to BSC of this factor may not emerge for some time, but during the stoppage foreign steel worth about £300m came into British ports.

One sector of industry, process plant makers, blamed the strike rather than recession for "a very substantial" loss of orders. A spokesmao for the Process Plant Association said that, although the industry had been able to acquire steel through stockholders and imports, customers—particularly those from abroad—doubted the industry's ability to maintain its steel supplies and complete orders on schedule.

Shipyards mostly unscathed

By William Hall

BRITISH SHIPBUILDERS has been monitoring its steel supplies during the strike and the country's shipyards have survived surprisingly well, mainly because few ships are being built.

However, there has been one casualty: Austin and Pickersgill, probably the most successful UK yard, had to put its workforce on a three-day week in mid-February and was on the verge of laying off all workers because it had run out of steel—it needs 800 tons a week.

Appledore Shipbuilders, which uses 100 tons a week, was also considering laying off workers because of steel shortages.

Impracticable

Austin and Pickersgill estimates that its production will not be back to normal until June. Mr. Derek Kimber, A and P's chairman, said yesterday his group had lost the best part of six months' production and had probably lost one order for a ship as well.

The main problem now was when supplies would be resumed and whether they would be in the right order, he said. A and P had considered importing continental steel but so far this had proved impracticable.

Other shipyards were more optimistic that supplies would be back to normal quickly.

Car makers could face supply delays

FINANCIAL TIMES REPORTER

THE national steel strike appears to have had little effect on the financial performance of most sectors of British industry, although there are a few large exceptions.

One such exception is Guest Keen Nettlefolds, a manufacturer of steel, a steel stockholder and a major manufacturer of engineering products. The company announced yesterday that first quarter profits had been "severely affected" by the strike, although it was not yet possible to assess the ultimate cost.

Other private steelmakers expect profits to be lower because of the strike, as do some suppliers to the steel and food canning industries.

However, most manufacturing companies, in the engineering, automotive, machine tool, home appliance and construction sectors claim to have obtained adequate steel supplies during the strike and operated almost normally.

"We have been getting steel in various ways, although there has been an extra cost in getting it," said Mr. J. W. Shield, treasurer of Lucas Industries. The extra costs would not be a material factor in the company's accounts, although Mr. Shield remains worried that the company's main customers, the car manufacturers, may yet face log-jams in some steel deliveries, delaying production.

Ford refused to comment on the possible financial impact of the strike, but said the physical effect had been "very little," involving only minor production re-scheduling.

Tube Investments said the strike reduced efficiency but it was too early to quantify the financial impact. Hoover said factories were kept running during the strike. Mr. Merle Rawson, chairman, told the annual meeting yesterday that first quarter results were much better than in the corresponding period last year.

Thorn-EMI, which makes radiators, lighting fittings, cookers and fridges, said the strike would not make a significant dent in the company's profits in the year ended March 31, 1980, and was not expected to have any impact in the first quarter of the current year.

Suppliers to the steel industry, such as Steetley Company, refractory brick manufacturers, were hit, but Thomas W. Ward, steel scrap merchants, were already moving to export markets in anticipation of lower demand from BSC.

Mr. J. P. Frost, chairman, said the strike would not have a "dramatic" effect on profits in the six months to March 31, and anticipated a benefit in the second half as BSC tries to catch up with demand.

Ductile, the steel stockholdera, shut down for six weeks during the strike. Mr. Peter Tiltman, finance director, said that lost profits would be "not less than £1m" in the year to June 30, 1980, although he agreed that, "on the whole, most of our customers have done rather well."

Food processing back to normal in 4-6 weeks

By Our Consumer Affairs Correspondent

THE FOOD processing industry is likely to take four to six weeks to return to normal, assuming steel production gets under way again soon.

The danger of major food shortages had been avoided, the Food Manufacturers' Federation said last night. But it warned there was still the possibility of a reduction in brands in the shops for some time.

The federation appealed to the British Steel Corporation not to increase tin-plate prices to recoup losses. The food industry was already operating on tight profit margins. Some producers of fruit and vegetables may be unable to get their crops canned while still fresh.

The major brewers, which dominate the take-home drinks market, are concerned about shortages before the usual summer boom in canned drink sales. But several already have plans to import cans from Europe.

Metal Box was unable to give a firm date yesterday for resuming supplies. Last week it met about half the demand for beverage cans and a third of demand for food cans.

Coal Board cash was cut but output not badly hit

BY MARTIN DICKSON

THE STEEL STRIKE may have cut the National Coal Board's deliveries of coking coal to British Steal Corporation by more than 1m tonnes, hitting tha cash flow of some NCB areas. But the stoppage never appreciably affected coal production.

Coal Board sales to BSC averaged about 180,000 tonnes a week just before the strike. Though deliveries never ceased, they fell during the stoppage by about 110,000 tonnes a week to an average of 69,000 tonnes.

This is bound to have an effect on the cash flow of some areas, but on the Board as a whole it is said not to be too serious. One reason is that considerable quantities of coking coal have been diverted to tha power station market.

Some 350,000 tonnes of coking coal has been added to NCB stocks, but at 2.5m tonnes for all types of coal these are relatively low for the time of year.

Although the strike caused a shortage of steel products used in mining, production was not appreciably affected. Mines were able to salvage old parts or exchange them with neighbouring pits.

The end of the strike will be good news for the Central Electricity Generating Board, which estimates that its peak demand was cut by 1,000 MW a dsy or more by the stoppage, a significant contributor to the Board's estimated loss in the financial year just ended.

Dockers return at Liverpool

THE TWO-WEEK strike by 8,000 Liverpool registered dockers and ancilliary workers over the handling of a blacked cargo of export steel was called off yesterday at a mass meeting which lasted just 15 minutes.

About 4,500 of the 5,500 registered dockers voted almost unanimously to obey the national recommendation of the Transport and General Workers' Union to return, and work was being resumed from 8 am today.

The 2,500 ancilliary workers, including tug men, dock gate men and clerical staff, who had stopped work in sympathy will also return on the various shifts.

Pay rise agreed for CSU members

By Our Labour Staff

PAY INCREASES of 12-22 per cent have been agreed between the Civil Service Union, representing 47,000 lower-grade white-collar staff, and the Civil Service Department.

A final agreement will not be concluded by the union until firm proposals on how to stage the offer have been negotiated.

Officials from the union's National Staff Side met Department officials yesterday to find out Government intentions on staging before today's full Staff Side meeting.

Mr. John Sheldon, CSU deputy general secretary, said that the low increases of 12 per cent for cleaners were a reflection of the acute problem of low pay facing workers in both public and private sectors.

Action warning

The CSU warned of industrial action disrupting the opening of the Welsh Office's new building in Cardiff because the Office had announced that private firms would be used to provide security officers for the building, rather than civil servants represented by the CSU.

About 4,000 civil servants at 11 Ministry of Defence Royal Ordnance factories staged a one-hour walk-out in protest at suspension of eight members of the Institution of Professional Civil Servants.

They were suspended for refusing to co-operate with introduction of productivity schemes for industrial civil servants. This is part of an IPCS protest against an arbitration award.

Rail unions reject 17% but talks to continue

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL unions rejected a £187m pay, productivity and holidays offer yesterday which taken together would give increases to 240,000 of an average of 17.7 per cent.

Negotiations between the three rail unions and the British Railways Board resume next Wednesday, when the union side will produce a paper putting counter-proposals.

The unions are keen not to follow the example of the steel unions, but to negotiate their way out of difficulty, in spite of the tight financial restriction of the board's £750m cash limit.

General secretaries of the three unions met yesterday after the board tabled the offer and drew up the broad outlines of the counter-proposals.

The unions will propose a compromise with a commitment to some of the freight, parcels and administration changes the board seeks, within an overall offer of about 20 per cent.

It was accepted last night that the compromise would mean the unions would seek less than their stated claims for increases of 20 per cent. British Rail is likely to be satisfied at winning a commitment within the scope of a pay offer.

Mr. Ray Buckton, general secretary of the train-drivers' union ASLEF, repeated that his union was not prepared to negotiate on productivity in talks which it say as strictly on pay.

The BR Board believes that the apparent ASLEF resistance might be lessened by the fact that few of the productivity changes it seeks materially affect footplate staff.

It put the offer at 17 per cent on pay rates. A further 0.7 per cent is available from extra annual leave from January 1981 from the present level of three weeks, two days to four weeks after more than two years' service.

The offer is effectively in two parts. The first gives 13 per cent from April 21, the due settlement date, in line with the provision for increases in the railways' cash limit.

Rates will be further raised from an unspecified later date by 4 per cent, increasing present rates by a total of 17 per cent. This would take the basic rate for a railwayman from £48.95 to about £57, and for a driver from £78.20 to about £91.

The offer increases London weighting allowance from £382 to £459 and increases minimum earnings level from £55.50 to £62.70 from April 21 and potentially to £64.95 from the date of the productivity agreement.

Mr. Sid Weighell, general secretary of the National Union of Railwaymen, and Mr. Buckton both said they were "disappointed" with the offer, which was "unacceptable."

Mr. Cliff Rose, BR Board member for personnel, said the steel strike had cost BR more than £20m.

ASTMS in row over recognition

THE Association of Scientific, Technical and Managerial Staff is to challenge the Post Office's refusal to recognise it as representing 1,000 sales representatives.

The representatives, who deal with the telecommunication needs of the Post Office's business customers, belonged to the Telephone Contract Officers' Association until last January, when it merged with ASTMS.

Yesterday in the High Court Lord Justice Eveleigh and Mr. Justice Watkins granted ASTMS leave to apply for an order that the Post Office had a duty to consult it on the terms and conditions of employment of the representatives. The Post Office was not represented at the hearing.

Mr. Denis Edwards, secretary of the telephone contract officers' section of ASTMS and himself a Post Office sales representative, said in an affidavit in support of the application that the Post Office had refused to recognise the union merger.

Political vote at TUC for power engineers

BY ALAN PIKE, LABOUR CORRESPONDENT

THE TRADITIONALLY non-political Electrical Power Engineers' Association took an important step yesterday toward becoming directly involved in discussion on all major national issues at the TUC.

Until now the union, which represents professional engineers and managers, has been confined to taking a part at the TUC only in issues which directly affect its members' industrial interests.

But after a sharply polarised debate delegates to the EPEA conference at Llandudno yesterday voted in favour of their TUC delegates being "free to join in any debate" to protect or further members' legitimate interests in any major national issues.

The resolution noted with concern that delegates to last year's TUC were unable to contribute to several debates because of the association's non-political policy.

It still precludes EPEA from affiliating to a political party, but gives its representatives more flexibility for advancing members' interests in areas with political implications.

This could give a lead to other non-political TUC affiliates, like senior Civil Service and education unions, so far cautious about a full part in TUC activities.

Mr. John Lyons, EPEA general secretary, said the decision was a reaction by essentially democratic opinion in the trade union movement against some more extreme ideas raised at last year's TUC.

These included suggestions from one quarter that the TUC present itself as an alternative government.

He did not believe that his union's move was provoked by opposition to the mainstream policies of the TUC General Council, but to the opinions of some extremist groups.

Delegates approved the change by a convincing though not overwhelming majority. The resolution will be considered by the Engineers' and Managers' Association, of which EPEA is the largest constituent part.

Mr. Eric Busby, for the executive, said that support for the change would enable EPEA delegates to express moderate opinion within the TUC, but the union must beware of creating political divisions for itself.

UK NEWS—PARLIAMENT and POLITICS

Scargill defends unionists' rights

By Pauline Clark, Labour Staff

MR. ARTHUR SCARGILL, Yorkshire area miners' president, made plain to the Government yesterday that be would be prepared to go to prison if necessary to preserve what be believed were the fundamental rights of trade unionists to picket effectively in a way which would cootravene the proposed changea in picketing laws.

During his evidenee to the Commons Select Committee on Employment, be also defended the right of trade unionists to organise mass picketing where it was "essential to demonstrate depth of feeling" by pickets and wbere it was necessary to bring this to the attention of the public.

Mr. Scargill said be was totally opposed to the new provisions in the Employment Bill.

He saw the proposed tightening up of laws on picketing and on the closed sbop as "a recipe for disaster" not only for industry but for Britisb industrial relationa as a wbole.

Mr. Scargill said that he would oppose any provisions in the proposed Act which he believed attacked buman rights. If this brought bim into conflict with the law, be was prepared to take the consequences.

"How can one justify introducing a law whicb prevents a man or woman approaching a fellow worker and asking for support when the other side in the dispute are allowed to produce goods elsewbere and estahlish alternative sources of supply, inclndlng imports."

"I cannot in conscience agree to abide by the provisions of the Employment Bill. I will oppose and urge other trade unionists to oppose the Bill if and when it becomes law in the same way that the trade union movement opposed the 1971 Industrial Relations Act."

Bid to further restrict trade union immunities

BY ELINOR GOODMAN, LOBBY STAFF

THE GOVERNMENT has radically revised its proposals for restricting secondary action in an attempt to close the loopholes whicb industry claimed were contained in the original draft.

A new clause to the Employment Bill published yesterday will mean that the net of trade union immunities will be drawn much more tigbtly than it would have been bad last month's working paper on the subject become law.

The objectives of the proposed legislation remains tbe same as wben it left the Cabinet last month but, in answer to representations made by industry, Ministers now bope they have succeeded in limiting the "scatter" effect of secondary blacking and sympathy strikes.

The new clause will be introduced to the Bill at its report stage—probably in about three weeks time. The Bill should be on the statute book in July.

Had the new clause been in operation during the steel strike, it would bave greatly limited the effects of tha dispnte on companies with no direct trading relationship with BSC. The dockers, for example, probably would not have been immune from legal action because they had no contracts with British Steel itself.

During the four week consultative period, industry argufed that the Government's proposals left far too many loopboles. In particular, they claimed that the proposed three tests of wbat type of action unions could take with immunity were far too vague, and could lead to even more confusion.

The Government bas therefore revised its proposals ao as to prevent the knock-on effect of secondary action going beyond the companies involved in the dispute either as first customers or primary suppliers of the company on strike.

Secondary action will not, bowever, be totally banned as some Ministers demanded in Cabinet wban the matter was first discussed in February.

Unions will still bave immunity from suits for breach of commercial contract if the action involves the "first customer or first supplier and can be shown to have a direct bearing on the company on strike."

To claim immunity, unions would have to show that the action was taken by employees of suppliers and customers of the employer in dispute; and its principle purpose was to prevent or disrupt the supply of goods between the employer in dispute and a supplied or customer with whom the companly in dlspute bas a current contract.

The effect of this provision is to remove immunity from secondary action where the principal purpose is something other than merely disruption the aupply of goods between the company in dispute and his own suppliers or customers.

Mr James Prior, the Employment Secretary, wbo bas always argued for a gradual approach to trade union reform apparently backed the changes made to the original working paper. The new clause was approved by Cabinet last week and finally got the blessing of the Cabinets legislative sub committee yesterday.

Child benefit debate move

BY ELINOR GOODMAN, LOBBY STAFF

A SENIOR Conservative backbencher is threatening to uae a Ten Minute Rule Bill as a means of forcing a debate on child benefit and embarrassing the Government into committing itself to the future rate of increase.

Sir Brandon Rhys Williams bas put down a Ten Minute Rule Bill for April 23. As yet, be bas not decided precisely what to use it for, but be bas alarmed the party's business managers by suggesting that be might use it to test back bench oplnion on the wbole question of child benefit.

If he does, the Bill would probably call for an immediate increase In the rate from £4 to £5.

It would bave no realistic chance of getting through the House but could prove embarrassing to the Government, if even only a minority of those Tory backbenchers unhappy with the increase announced in the Budget supported it.

The Chancellor announced in the Budget that the rate would go up from £4 to £4.75 in November.

During the Budget debate, a number of the younger Conservative backbenchers criticised this increase on the grounds that it does not make up for the impact of inflation since the benefit was last increased.

They have been trying to extract a commitment from the Government that in future the benefit will be informally indexed to the rate of inflation.

In his speecb on the Budget, Sir Brandon said he was very concerned that the House was not being given a chance to make its views felt on child benefit.

The Government bas drafted the Social Security Bill in such a way, as to make it impossible for anyone to raise the subject of child benefit during its debate.

The only way MPs could use the Finance Bill to make a protest would be for them to vote against the increase altogether, and so deprive families of the 75p help they would get from the Budget.

Sir Brandon may bope that merely by threatening to introduce a Bill of this kind, be may twist the Government's arm into making a future commitment and so obviate tbe need actually to force a division on tha subject.

NEC rebels against Callaghan

BY ELINOR GOODMAN, LOBBY STAFF

ATTEMPTS BY Mr. James Callaghan, the Labour Party leader, to kill off the idea of a special one-day party conference on industry policy looked like landing into trouble at next week's meeting of the National Executive Committee.

A majority of NEC members served notice yesterday that tbey bad no intention of dropping the idea of a full policy-making conference.

Fifteen of the executive's 29 members sent a letter yesterday to Mr. Ron Hayward, the party's general secretary, saying there was no need for an emergency meeting of the NEC to reconsider the Idea of a full-scale conference.

The NEC's decision to bold the conference, they said, bad been clear and if May 31 and July 5 were tbe only possible dates for it, then the general secretary should go ahead and make the necessary arrangements.

At last Wednesday's NEC meeting, members voted 22-1 in favour of a conference—though before the final vote was taken there was a prolonged argument over wbether a national rally would not be a more effective way of protesting against the Government's industrial pollcies.

Since then Mr. Callaghan bas apparently been alerted to the dangers of a full-scale conference which could commit the party to new industrial policies four years before it bad any chance of being returned to government.

Tory Budget critics attacked

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

LORD THORNEYCROFT, cbairman of the Conservative Party, last night hit back at Tory MPs wbo have been criticising the Government's Budget strategy.

He thought it was inevitable that there should be criticism at a time wben the Government was pursuing sucb a difficult policy.

Some were saying that the Government was going too fast in cutting public expenditure and some that it was going too slowly. Bnt in his view there was no practical alternative to the measures announced by the Cbancellor last week.

Speaking ln a Budget debate initiated in the Lords by Lord Byers, the Liberal peer, he emphasised that the Government was having to deal with deepseated trends that bad been present in the economy for 10 or 15 years.

"The idea that yon can attack a situation of that kind with all the graphs runing against you and suddanly get them all running the other way in a matter of months is an illusion," be said.

As the Government moved forward there would be some wbo would howl that it sbould go faster. In particular some were urging it to move faster on the trade union measures in the Employment Bill.

"Others urge us to go slower," ba said. "They say we are too impetuous in cutting back expenditure."

Some of them wanted the Government to move more cautiously in switching from direct to indirect taxation and to do more to encourage incentives.

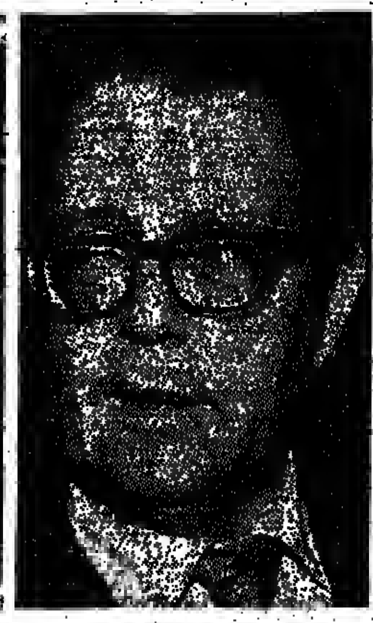
But be did not blame the Government for any of the things it was doing. It would not be possible to go down the road they had taken except under constant attack from both directions.

"For my own part, I compliment the Prime Minister and the Chancellor for the courage and caution with which they are advancing along one of the most dangerous and difficult roads any government could cboose.

"The main thema must be the pushing back of inflation, tbe balancing of the economy and the increase in wealth. I don't see any alternative to what the Government is doing."

"The very substantial steps to rednce expenditure mark a really sharp change ln national policy," said Lord Thorneycroft. "These cbanges are brave, dramatic, controversial, painful and—I think—rigbt."

LORD THORNEYCROFT



LORD COCKFIELD

For the Government, Lord Cockfield, Minister of State at tha Treasury, strongly emphasised the need to avoid excessive wage increases. A very beavy burden rested upon management and unions ln tha private sector, be said.

Excessive pay increases meant that companies would need more money to finance their activities and, with firm control over the money supply, this would drive interest rates up.

So, wben employers and union leadars complained about high interest rates, they should recognise thair own responsibility in the matter. The effect of such high rates would be that some companies would be unable to finance tbeir activities at the inflated level of pay settlements they bad created, or which had been forced on them by the unions.

The result would be a fall in the level of business activity and employment. At the extreme, it would mean insolvency and redundancy.

"This is simply a matter of cause and effect and no amount of rhetoric can alter it," said Lord Cockfield. "Water doesn't flow uphill. No amount of talking, no fiery speecbes, no demonstrations — not even strikes—will make it."

The cbarge that the Government was deliberately creating unemployment was totally and completely untrue. The responsibility rested on the shoulders of union negotiators. If they secured exeessive settlements, they were really negotiating unemployment for their members.

For the Liberals, Lord Byers criticised the Government for using a "blunt instrument" in making unselective cuts in public expenditure.

Nevertheless, he congratulated the Chancellor for drawing np a medium to long-term strategy and setting targets over a period of years. He gave a limited welcome to the measures to help small firms.

Lord Byera advocated a standing conference of employers, trade unions, political parties, and the Government to discuss trends in growth productivity pay and inflation. This could provida a backcloth against which pay settlements could be judged.

From the Labour front bench, Lord Wells-Pestell accused the Government of marching the country down tha road towards the conditions wbicb prevailed in the 1930s. Britain now faced a seriaus depression, he said.

Employers 'should provide sick pay'

BY ERIC SHORT

THE GOVERNMENT yesterday set out in a Green Paper* its proposals for employers to provide sick pay to employees during the early weeks of sickness.

This intention for employers to take on the responsibility of payment for sbort periods of sickness was announced by the Government last December.

The main points of the proposed scbeme are

- All employees, except married women and widows paying lower rate contributions sbould be entitled to sick-pay from their employers.
- No payment would be made for the first three days of any period of illness. But thereafter sick-pay from employers wonld be made for up to eight weeks in any tax year. Thereafter national insurance sickness benefit would be paid. Thus the total period of payment by an employer could be longer than eight weeks if the sickness period straddled the end of a tax year.
- The minimum statutory amount of sick-pay would be £30 a week under current sickness benefit levels, ignoring the uprating due to take place in November. The intention is that this level would be revalued annually with other social security benefits. A low earner during slckness would be entitled to a proportion of his normal earnings.
- National Insuance Contributions paid by employers would be reduced by an amount whicb would broadly reflect the collective llability for the extra wage costs. It is envisaged that the reduction would be ½ per cent. The employee would be deemed to remain on the payroll during the period of sickness and thus NI contributions would continue from both the employee and the employer. The wage bill would rise by £500m, including NI payments.
- Where employees have less than eight weeks' service with the employer at the time of falling sick, the employer would generally be entitled to a direct repayment of balf the minimum sick-pay benefit paid to those employees.
- Decisions about entitlement to sick-pay should be taken on the basis of the employee's doctor's advice concerning incapacity to work. It is proposed that doctors would provide statements without chaage necessary for employees claiming payment.

The proposed scheme would still leave a residual of persons receiving social security sickness benefits. Besides those employees baving periods of sickness beyond the eight weeks and those receiving invalldity benefits, there would be the self-employed and the non-employed, including the unemployed.

The Grean Paper sets ont four specific questions that need to be considered, including wbether after the first two weeks of sickness there should be a higber minimum rate for employees with dependent children. It also seeks views on the resolving of disputes.

* *Incomes During Initial Sickness: A New Strategy; Cmnd. 7864; SO, £2.*

● NEWS ANALYSIS—MICHAEL DONNE, DEFENCE CORRESPONDENT, ON THE DEFENCE WHITE PAPER

Government plans for increased spending in the 1980s

SPENDING on defence in the coming year will amount to just over £10.78bn (at 1980-81 Estimates prices), according to the annual Defence White Paper issued yesterday.

This compares with spending of £8.56bn in 1979-80. The big rise is accounted for by pay and price rises (inclnding known inflation from autumn 1978 to autumn 1979, amonnting to nearly £1.6bn), and by further forecast inflation from autumn 1979 until the money is aetually spent (another £1.16m).

These figures, given in the financial statistics accompanying the White Paper, contrast with the Government's own preferred figure of defence spending of just over £8bn "at 1979 Survey prices," whicb it says represents an increase of 3½ per cent in real terms compared with 1979-80.

On the same basis of 1979 survey prices, the White Paper says that in 1981-82 and the two following years, the Government plans continuing real growth in defence spending consistent with the NATO target of threa per cent aach year, producing defence budget levels of £8.24bn, £8.49bn and £8.74bn respectively.

The White Paper stresses that much of the defence budget is accounted for already by the need to pay for commitments made by previous administrations.

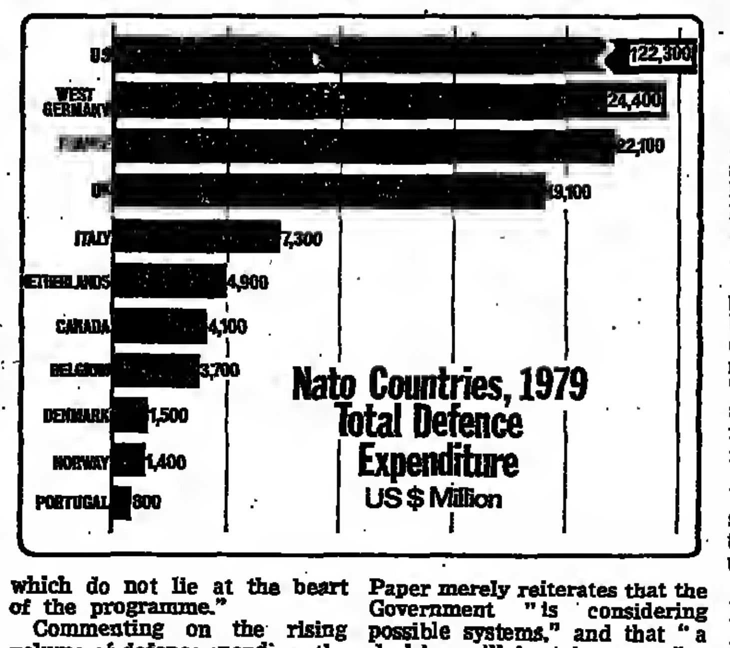
"Defence cannot be turned on and off like a tap; reasonable continuity of policy and funding is essential. We recognise the military value of many projects begun or continued by our predecessors, and an important part of our task will be to bring them to fruition as quickly as possible.

"The defence programme cannot be insulated from all change, but our aim is to restore its momentum and expand it.

"This will mean increased defence spending.

"But we shall not feel obliged to adhere slavishly to a particular growth path, nor shall we consider it a failure of policy if we modify our spending plans in either direction from year to year as new information becomes available.

"If we can achieve our objectives more cheaply, that is to the good, and we sball bring a vigorous management approach to bear to secure economies in areas of spending which do not lie at the beart of the programme."



Commenting on the rising volume of defence spending, the White Paper stresses that the Government does not intend to sign a "blank cheque" for defence, er to dismiss other spending programmes as unimportant.

"The scale of our defence effort cannot be dlvorced from our general economic capability, and we all know that Britain is going through difficult economic times.

"Within these constraints, our task is to get the balance of priorities right again; to restore our defence effort to the level needed to give the best possible guarantee of safety, using the most economical means available, and in full consciousness of the complexity of the decisions and judgments which this aim imposes."

There are no significant new revelations in the White Paper.

On major issues on wbicb decisions are pending, such as the replacement of the strategic nuclear deterrent, the White Paper merely reiterates that the Government "is considering possible systems," and that "a decision will be taken soon."

Nor does the White Paper give further details of tha siting of the Theatre Nuclear Force Ground-Lauched Cruise Missiles, of which 160 are to be deployed in the UK.

"The Government is now assessing with the U.S. where these sbould be based," says the White Paper. "Full account will be taken of environmental considerations but the final decisions will bave to be governed mainly by military factors.

"The cholce will be announced as soon as possible, and this will be followed by full consultations with local authorities about the construction programme."

The White Paper stresses particularly the growth of the Soviet Union and Warsaw Pact conventional forces.

"Western assessments indicata that military expenditure bas over the past 10 years acconnted for about 11 to 13 per cent of the Soviet Union's gross national product. Military expenditure rose by about 4 per cent a year in real terms between 1970 and 1978, wben NATO spending was falling."

Moreover, the White Paper makes it clear tbat the extensive Soviet researcb and development programme over the last decade bas ln many areas eroded NATO's former technological lead.

"Soviet facilities for military production are huge, and are being expanded still further, even thongh many plants are not working to full capacity. The Soviet armaments industry supplies nearly all the equipment used by the Warsaw Pact forces.

"The Warsaw Pact therefore benefits from economies ln research development and production and the forces benefit from uslng standard equipment."

The White Paper points out that while there is no reason to believe the present Soviet leaders are daliberately planning to attack NATO — "any sucb adventurism would be foolbardy in the face of NATO's defences" — they nevertheless intend to win if war abould break out.

"Meanwhile, they can use Soviet military power to impress, influence or threaten less powerful nations to adopt policies which suit the Soviet Union."

Outlining the areas where the West, and the UK, fall short of requirements in conventional forces, the White Paper says that the UK needs to improve the Britisb Army of the Rhine'a anti-armour and air defence capabilities, and to speed up the arrangements for the reinforcement of BAOR ln an emergency.

"For the RAF we need to provide the aircraft, weapons and training needed to make up for the Warsaw Pact's advantages in numbers, and steady improvement in quality.

"It will take time and scarce resources to solve all these problems."

The White Paper says about 41 per cent of the 1980-81 defence budget, will be spent on equipment, sustaining about 400,000 job opportunities directly and indirectly, and taking np over 60 per cent of the work in the aerospace industry.

Of the overall equipment spending, research and development will account for about 31 per cent, and production 69 per cent.

The octual sums to be spent on procurement expeoditure of all kinds amount to £4.75bn, of which equipment alone accounts for £4.34bn.

Research and development will account for just under £1.5bn and production and repair for about £3.26bn.

For the first time, the White Paper gives a detailed analysis of the costs of some major items in defence spending. For example, it reveals that the cost of the new Sting Ray torpedo is expected to be £920m, and of the Sea Eagle air-to-surface anti-ship missile £350m, the Rapier ground-based air defence missile improvement programme about £320m, and the Wavell automated data processing communications system about £55m.

Giving examples of the unit costs of specific items of equipment, the White Paper says a nuclear-powered fleet submarine now costs £140m, a Type 42 guided missile deatroyer £85m, a Tornado multi-role combat aircraft £10m, a Milan anti-tank missile £7,000 and a smoke ammunition shell about £340.

Specific programmes on whicb the White Paper comments include the new Main Battle Tank for the 1990s, on wblcb "project definition" studies are continuing.

Among alrcraft, work is also being pressed ahead on a future tactical combat aircraft (TCA), wblcb is now intended to replace only the Jaguar jet strike-trainer, instead of botb that aircraft and the Harrier jump-jet fighter. Consideration is being given to whether the U.S. AV-8B version of tbe Harrier is also suitable for the RAF, or wbether the British development for this aircraft would better meet the requirement.

On maritime affairs, the White Paper says tbat another new Trafalgar Class nuclear-powered fleet submarine is to be ordered this year, and feasibility studles are in progress on a new conventionally-powered class of submarine to replace the present Oberon Class.

Further orders are also planned for Type 22 frigates, and progress is being made on project definition of a successor to the Sea King anti-submarine warfare helicopter, with collaboration with Italy particularly in mind.

The White Paper says much equipment spending in the coming financial year will go to the "high technology" industries.

Over 20 per cent of the output of the electronics industry in 1978-79 was taken by the MoD —a percentage which is understood to bave risen since—and over 60 per cent of tha work of the aerospace industry is also for defence purposes.

Some 75 per cent of the equipment budget is spent on national contracts placed with Britisb industry, about 15 per cent goes as the UK's sbare of collaborative projects, and 10 per cent on contracts placed overseas. Only a msall percentage of the procurement expenditure does not contribnte to the British economy directly.

The White Paper reaffirms the British commitment to international collaboration, and more work will be undertaken on this basis where it is appropriate.

Bnt the White Paper stresses that it is important for British industry to retain a sufficient sbare of development work on national and collaborative projects to maintain its basic capability.

"The Government considers that it is important to retain in Europe, where we offer major expertise, a devalopment capability for modern weapon systems, and we intend to strengthen European equipment co-operation.

"Studies on several major future weapons systams are belng pursued collaboratively."

One of these is the Multipla Launch Rocket System (MLRS) to replace certain artillery pieces in the field, while the U.S. is also participating witb the UK in the development of an airfield attack weapon.

The Government also places considerable emphasis upon defence sales, which are expected to amount to about £1.2bn in 1980-81.

These cover a wida range of appllcations and associated aervices, including air defence, communications and radar systems, technical assistance and infrastructure programmes. Recent achievements include substantial air defence and communications projects, and the sale of Jaguar, Hawk and Lynx aircraft overseas.

The White Paper reveals that the Government, as part of its search for economy and efficiency, has started a study of the functions of the various Defence Research and Development Establishments.

This will consider wbether more work could or sbould ba undertaken by industry and the universities, taking account of defence, financial and manpower considerations.

The Government has also begun a atudy of the role, organisation and structure of the Royal Dockyards, to consider how best they might meet the needs of the Navy in the 1980s and 1990s. The report is due any day now.

Commenting on manpower, tbe White Paper says recruiting ln 1979-80 was generally good, and improved after the pay award of last summer.

Between April and December, 17 per cent more people joined than in the same period of 1978. An intake of 49,000 is expected in 1979-80, compared with 43,400 in the previous year.

But this is still abort of the number required, and the White Paper says the Government recognises that it needs to keep pay and conditions of service under careful review.

The general picture masks shortages in some grades and specifications. The maximum requirement for trained personnel in tha mid-1980s will be 20,000 greater than the present trained strength. To close the gap will require a sustained improvement in attracting and keeping recrults over the next four to five years.

Recruitment will be more difficult from 1982 onwards, because there will be fewer young men entering the 16-19 age group from which the Services normally recruit.

"The Services currently recruit some 8½ per cent of men entering this age group, but will need to recruit about 11½ per cent by the end of the 1980s. This will be a formidable task. Failure could undermine our ability to carry out major defence tasks."

Defence in the 1980s: Statement on the Defence Estimates, 1980; Volume 1, £4.50 net; Volume II (Defence Statistics), £4 net. (Command 7826—I and II).

Examples of defence equipment outlays

Programme Costs

Project	Estimated Cost
Sting Ray lightweight torpedo	£920m
Sea Eagle air-to-surface anti-ship missile	£350m
Rapier ground-based air defence missile—improvement programme for the mid-1980s	£320m
New sonars for surface ships and submarines	£170
Sky Flash air-to-air missile improvaments programme	£75m
Wavell ADP system for command and control of Army tactical operations	£55m
Avionics improvements for Jaguar aircraft	£50m

Examples of Unit Costs

Equipment	Unit Cost
Nuclear-powered fleet submarine*	£140m
Typa 42 guided missile destroyer*	£85m
Seabed Operations Vessel*	£80m
Tornado GRI aircraft	£10m
Integrated Communications Systems for ships	£2m
Puma Mk I helicopter	£1.5m
4-tonne vehicles (various types)	£12-18,000
Landrovers (various types)	£5,500-9,500
Milan anti-tank missile	£7,000
155mm illuminating ammunition shell for FH 70	£450
155mm smoke ammunition shell for FH 70	£340

* Note—The costs quotad are inclusive of weapons systams and equipments to be fitted in the ship.

هكذا من الأعمال

How much longer before we in Britain join the 3rd World?

Fifteen years ago, Britain was a leading producer of motor cars, motor cycles, domestic appliances, televisions, radios, hi-fi's.

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IBM UNITED KINGDOM LIMITED, P.O. BOX 41, NORTH HARBOUR, PORTSMOUTH, PO6 3AU.

UK NEWS

The Bank of England yesterday issued the first list of authorities given by the Bank under the Banking Act 1979. The Bank's list is in three parts:

- Institutions which have been granted the status of recognised banks, the higher of the two ranks provided for in the Act,
- Institutions which have been granted an authority as licensed deposit-takers, the lower of the two rankings,
- Institutions which were conducting a banking or deposit-taking business on October 1, 1979, but whose applications are still under consideration by the Bank.

Only those institutions whose names appear in the list below, together with others exempted from the Act, are now legally permitted to carry on a deposit-taking business in the UK.

Bank of England issues list of authorities

BANKING ACT 1979

Recognised banks

Alexanders Discount Company Ltd.
Algemene Bank Nederland N.V.
Allen, Harvey and Ross Ltd.
Allied Arab Bank Ltd.
Allied Bank International
Allied Bank of Pakistan
Allied Irish Investment Bank Ltd.
Allied Irish Banks Ltd.
Amex Bank Ltd.
Amsterdam-Rotterdam Bank N.V.
Henry Ansbacher and Co. Ltd.
AP Bank Ltd.
Arab Bank Ltd.
Arbuthnot Latham and Co. Ltd.
Australia and New Zealand Banking Group Ltd.
Banca Commerciale Italiana
Banca Nazionale del Lavoro
Banco Central, S.A.
Banco de Bilbao
Banco de la Nación Argentina
Banco de Santander, S.A.
Banco de Vizcaya S.A.
Banco di Roma S.p.A
Banco Totta and Açores
Banco Urquijo Hispano Americano Ltd.
Bank Julius Baer International Ltd.
Bank Bumiputra Malaysia Berhad
Bank fur Gemeinwirtschaft A.G.
Bank Hapoalim B.M.
Bank Leumi (U.K.) Ltd.
The Bank of Adelaide
Bank of Baroda
The Bank of California N.A.
Bank of Ceylon
Bank of China
Bank of India
Bank of Montreal
Bank of New South Wales
The Bank of New York
Bank of New Zealand
Bank of Scotland
The Bank of Tokyo, Ltd.
The Bank of Tokyo Trust Company
Banque Belge Ltd.
Banque Belgo-Zairoise S.A.
Banque de L'Indochine et de Suez S.A.
Banque de Paris et des Pays-Bas S.A.
Banque Francaise de Credit International Ltd.
Banque Nationale de Paris Ltd.
Banque Occidental pour l'industrie et le commerce
Barclays Bank Ltd.
Barclays Bank International Ltd.
Barclays Merchant Bank Ltd.
Baring Brothers and Co. Ltd.
The British Linen Bank Ltd.
Brown, Shipley and Co. Ltd.
Canadian Imperial Bank of Commerce
Cater Ryder and Company Ltd.
Central Bank of India
Charterhouse Japhet Ltd.
The Chase Manhattan Bank, N.A.
Chase Manhattan Ltd.
Chemical Bank
Citibank N.A.
Citicorp International Bank Ltd.
Clive Discount Company Ltd.
Clydesdale Bank Ltd.
The Commercial Bank of Australia Ltd.
Commercial Bank of Korea Ltd.
The Commercial Banking Company of Sydney, Ltd.
Commerzbank A.G.
Commonwealth Trading Bank of Australia
Continental Illinois Ltd.
Continental Illinois National Bank and Trust Company of Chicago
County Bank Ltd.
Coutts and Co.
Crédit Industriel et Commercial
Crédit Lyonnais
Crédit Suisse
Credit Suisse First Boston Ltd.
Credito Italiano
The Dai-Ichi Kangyo Bank, Ltd.
The Daiwa Bank, Ltd.
Deutsche Bank A.G.
Dresdner Bank A.G.
Euro-Latinamerican Bank Ltd.
European Arab Bank Ltd.
European Banking Company Ltd.
European Brazilian Bank Ltd.
The Fidelity Bank
First Dallas Ltd.
The First National Bank of Boston
The First National Bank of Chicago
First Pennsylvania Bank N.A.
First Wisconsin National Bank of Milwaukee
Robert Fleming and Co. Ltd.
The Fuji Bank, Ltd.
Gerrard and National Discount Company Ltd.
Antony Gibbs Holdings Ltd.
Gillett Brothers Discount Company Ltd.
Gray, Dawes and Company Ltd.
Grindlay Brandts Ltd.
Grindlays Bank Ltd.
Guinness Mahon and Co. Ltd.
Habib Bank Ltd.
Hambros Bank Ltd.
Harris Trust and Savings Bank
Hill Samuel and Co. Ltd.
C. Hoare and Co.
The Hokkaido Takushoku Bank, Ltd.
The Hongkong and Shanghai Banking Corporation
The Industrial Bank of Japan, Ltd.
International Commercial Bank Ltd.
International Energy Bank Ltd.
International Westminster Bank Ltd.
Investitions - und Handels - Bank A.G.
Irving Trust Company
Italian International Bank Ltd.
Jessel, Toynbee and Co., Ltd.
Johnson Matthey Bankers Ltd.
Leopold Joseph and Sons Ltd.
Keyser Ullmann Ltd.
King and Shaxson Ltd.
Kleinwort, Benson Ltd.
Korea Exchange Bank
The Kyowa Bank, Ltd.
Lazard Brothers and Co., Ltd.
Libra Bank Ltd.
Lloyds Bank Ltd.
Lloyds Bank International Ltd.
London and Continental Bankers Ltd.
The Long-Term Credit Bank of Japan, Ltd.
Malayan Banking Berhad
Manufacturers Hanover Ltd.
Manufacturers Hanover Trust Company
Marine Midland Bank N.A.
Mellon Bank, N.A.
Merrill Lynch International Bank Ltd.
Midland Bank Ltd.
Midland and International Banks Ltd.
The Mitsubishi Bank Ltd.
The Mitsubishi Trust and Banking Corporation
The Mitsui Bank Ltd.
The Mitsui Trust and Banking Company Ltd.
Samuel Montagu and Co. Ltd.
Morgan Grenfell and Co. Ltd.
Morgan Guaranty Trust Company of New York
National Bank of Abu Dhabi
The National Bank of Australasia Ltd.
National Bank of Canada
National Bank of Detroit
The National Bank of New Zealand Ltd.
National Bank of Pakistan
National Westminster Bank Ltd.
The Nippon Credit Bank, Ltd.
Nordic Bank Ltd.
North Carolina National Bank
Northern Bank Ltd.
The Northern Trust Company
Orion Bank Ltd.
Oversea-Chinese Banking Corporation Ltd.
Overseas Union Bank Ltd.
Philippine National Bank
Punjab National Bank
Rafidain National Bank
Rea Brothers Ltd.
Republic National Bank of Dallas
Reserve Bank of Australia
N. M. Rothschild and Sons Ltd.
The Royal Bank of Canada
The Royal Bank of Scotland Ltd.
The Royal Trust Company of Canada
The Saitama Bank Ltd.
The Sanwa Bank Ltd.
Saudi International Bank (Al-Bank Al-Saudi Al-Alami Ltd.)
Scandinavian Bank Ltd.
J. Henry Schroder Wagg and Co. Ltd.
Seccombe Marshall and Campion Ltd.
Singer and Friedlander Ltd.
Smith St. Aubyn and Co. Ltd.
Société Générale pour favoriser le développement du commerce et de l'industrie en France
Sonali Bank
Standard Chartered Bank Ltd.
Standard Chartered Merchant Bank Ltd.
State Bank of India
The Sumitomo Bank, Ltd.
The Sumitomo Trust and Banking Company Ltd.
Swiss Bank Corporation
Syndicate Bank
The Taiyo Kobe Bank Ltd.
Texas Commerce Bank N.A.
The Tokai Bank, Ltd.
The Toronto-Dominion Bank
Trade Development Bank
Ulster Bank Ltd.
Union Bank of Switzerland
The Union Discount Company of London Ltd.
United Bank Ltd.
The United Bank of Kuwait Ltd.
United California Bank
United Commercial Bank
United Overseas Bank Ltd.
S. G. Warburg and Co. Ltd.
Westdeutsche Landesbank Girozentrale
Williams and Glyn's Bank Ltd.
The Yasuda Trust and Banking Co., Ltd.
Yorkshire Bank Ltd.
Zivnostenská Banka National Corporation

Licensed deposit-taking institutions

The Alliance Trust Co. Ltd.
Bank of Europe Ltd.
Barclays Bank UK Ltd.
Bowmaker Ltd.
Bucks Land and Building Co. Ltd.
Bunge and Co. Ltd.
Charterhouse Japhet Credit Ltd.
Commonwealth Savings Bank of Australia
Corinthian Securities Ltd.
Duncan Lawrie Ltd.
East Midlands Finance Co. Ltd.
EBS Investments Ltd.
The English Association Investment Trading Co. Ltd.
E.T. Trust Ltd.
Exeter Trust Ltd.
First National Securities Ltd.
Greyhound Guaranty Ltd.
Hume Corporation Ltd.
Industrial Bank of Scotland Ltd.
Industrial Funding Trust Ltd.
McNeil Pearson Ltd.
Medens Trust Ltd.
Millard Mutual Facilities Ltd.
Minster Trust Ltd.
Oriental Credit Ltd.
R. Raphael and Sons Ltd.
Savings Bank of South Australia
Schroder Leasing Ltd.
Shawlands Securities Ltd.
Smith and Williamson Securities
Spry Finance Ltd.
Standard Property Investment Co. Ltd.
Texas Commerce International Bank Ltd.
Tresford Securities Ltd.
Traloan Ltd.
Vernona Trust Corporation
N.H. Woolley and Co. Ltd.
Yorkshire Bank Finance Ltd.
Yorkshire Bank Leasing Ltd.

Applications under consideration received from institutions which were conducting a deposit-taking business on October 1, 1979

A1 (Investment) Ltd.
Abbey Finance Co. Ltd.
Advia Property Co. Ltd.
The Afghan National Bank Ltd.
African Continental Bank Ltd.
Allied Irish Finance Co. Ltd.
American Express International Banking Corporation
American National Bank and Trust Company of Chicago
Andsla Finance Co. Ltd.
Anglo-Romanian Bank Ltd.
Armada Investments Ltd.
Assemblies of God Property Trust
Associated Credits Ltd.
Associated Japanese Bank (International) Ltd.
Associates Capital Corporation Ltd.
Aston Rothbury and Co. Ltd.
Atlantic International Bank Ltd.
Auban Finance Ltd.
Banco do Brasil S.A.
Banco do Estado de Sao Paulo S.A.
Banco Español en Londres B.A.
Banco de Jerez S.A.
Banco Mercantil de Sao Paulo S.A.
Banco Nacional de Mexico S.A.
Banco Real S.A.
Bancomer, S.A.
Bangkok Bank Ltd.
Bank America Finance Ltd.
Bank Brussels Lambert (UK) Ltd.
Bank Handlowy w Warszawie S.A.
Bank Melli Iran
Bank of America International Ltd.
Bank of America N.T. and S.A.
Bank of Credit and Commerce International S.A.
Bank of Cyprus (London) Ltd.
The Bank of Ireland
Bank of Ireland Finance Ltd.
Bank of Ireland Finance (N.I.) Ltd.
Bank of Ireland Finance (UK) Ltd.
Bank of London and South America Ltd.
Bank of New South Wales Savings Bank Ltd.
The Bank of Nova Scotia
The Bank of Nova Scotia Trust Company (United Kingdom) Ltd.
Bank of Oman Ltd.
Bank of Tehran
Bank of Tokyo International Ltd.
The Bank of Yokohama Ltd.
Bank Pars
Bank Saderat Iran
Bank Sanaye Iran
Bank Sepah
Bank Street Securities Ltd.
Bankers Trust Company
Bankers Trust International Ltd.
Banque du Rhone et de la Tamise S.A.
The Baptist Union Corporation Ltd.
Barbados National Bank
Barclays Bank Trust Company Ltd.
Thomas Barlow and Bro. Ltd.
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank
B.C.F. Finance Co. Ltd.
Beverley Acceptances Ltd.
Boston Trust and Savings Ltd.
Boul' Mich' Ltd.
Bournabank Ltd.
Bradford Investments
Bremar Holdings Ltd.
Bridgeover Ltd.
Bridgeway Finance Ltd.
Bristol and West Investments Ltd.
The British Bank of the Middle East
British Credit Trust Ltd.
Brook Securities and Co. Ltd.
Brutton Mortgage Investments (Hampshire) Ltd.
Buchanan Securities Ltd.
Bunzl Finance Ltd.
Burlington Investments Ltd.
Business Mortgages Ltd.
Calculus Finance Ltd.
Canada Permanent Trust Co. (U.K.) Ltd.
Carolina Bank Ltd.
Castle Phillips Finance Co. Ltd.
Cattles Holdings Finance Ltd.
Cayzer Ltd.
COB Investments Ltd.
Cedar Holdings Ltd.
Central Banking and Finance Corporation Ltd.
The Central Investment Co. Ltd.
Central Trust Ltd.
Central Trustee Savings Bank Ltd.
Century Factors Ltd.
Century Industrial Services Ltd.
Chancellor Finance Ltd.
Chancery Securities Ltd.
Charter Consolidated Finance Ltd.
The Chartered Bank
Chartered Trust Ltd.
Chase Bank (Ireland) Ltd.
Chemical Bank International Ltd.
Chesterfield Street Trust Ltd.
The Cho-Heung Bank, Ltd.
CP Choularton, Sons and Partners Ltd.
Citibank Trust Ltd.
Cleveland Guaranty Ltd.
Close Bros., Ltd.
Clydesdale Bank Finance Corporation Ltd.
CE Coates and Co. Ltd.
Cobnar Finance Co. Ltd.
Commercial Bank of Malawi Ltd.
The Commercial Bank of the Near East Ltd.
Commercial Bank of Wales Ltd.
Commercial Credit Services Ltd.
Consolidated Credits and Discounts Ltd.
Co-operative Bank Ltd.
Co-operative Commercial Bank Ltd.
Copleys Bank Ltd.
Cornfield Finance and Management Ltd.
Coutts Finance Co.
Cranleath Securities Ltd.
Crocker National Bank
Crown Brewery Co. Ltd.
Cue and Co.
Cyprus Finance Corporation (London) Ltd.
The Cyprus Popular Bank
C. Czarnikow Ltd.
Dalbeattie Finance Co. Ltd.
Darlington Finance Ltd.
Darlington Merchant Credits Ltd.
Dartington and Co. Ltd.
Dawnay Day and Co. Ltd.
The Detroit Bank and Trust Company
J. N. Dewhurst Ltd.
Discount Bank (Overseas) Ltd.
Dominion Charter Merchant Trust Ltd.
Dow Banking Corporation
Dunbar and Co. Ltd.
Dunstervilla Allan Ltd.
Eagil Trust Co. Ltd.
East Anglian Securities Trust Ltd.
Eastcheap Investments Ltd.
Eccles and District Finance Co. Ltd.
Etco Leasing Ltd.
Ensign Discount Co. Ltd.
Everett Chettle Associates
The Fairclifte Finance Co. Ltd.
Family Finance Ltd.
F.C. Finance Ltd.
Federated Trust Corporation Ltd.
M. and F. Feuchtwanger
Finance Facilities (London) Ltd.
Finance for Industry Ltd.
Financial and General Securities Ltd.
James Finlay Corporation Ltd.
Finova Finance Ltd.
First City National Bank of Houston
First Guarantee Trust Co. Ltd.
First Indemnity Credit Ltd.
First Knightsbridge Guarantee Ltd.
First National Bank in Dallas
First National Bank in St. Louis
First National Bank of Maryland
Ford Financial Trust Ltd.
Ford Motor Credit Co. Ltd.
Forward Trust Ltd
Robert Fraser and Partners Ltd.
French Bank of Southern Africa Ltd.
Galfic Credit International Ltd.
Ghana Commercial Bank
Gillespie Bros. and Company Ltd.
Girard Bank
Goode Durrant and Murray (Consolidated) Ltd.
Goode Durrant Trust Ltd.
Goodwin Squires Securities Ltd.
Grainger Trust Ltd.
H. T. Greenwood Ltd.
Greetwell Finance Ltd.
Gresham Trust Ltd.
Grindlay Brandts Executor and Trustee Company Ltd.
Grindlays Bank (Scotland) Ltd.
Grindlays Humberclyde Ltd.
G.T. Management Ltd.
Gulf International Bank B.S.C.
Habib Bank A.G. Zurich
H. Halford and Co. Ltd.
The Hanil Bank Ltd.
The Hardware Federation Finance Co. Ltd.
Harrods (Knightsbridge) Ltd.
Hartos Securities Ltd.
Harwal Finance Ltd.
Havana International Bank Ltd.
Headstar Finance (Bradford) Ltd.
The Heritable and General Investment Bank Ltd.
H.F.C. Trust Ltd.
Hinde Street Finance Co. Ltd.
H. and J. Finance Co. (Midlands) Ltd.
Holdenhurst Securities Ltd.
Hungarian International Bank Ltd.
Hurn Finance Ltd.
Industrial and Commercial Finance Corporation Ltd.
International Mexican Bank Ltd.
International Resources and Finance Bank B.A.
The Investment Bank of Ireland Ltd.
Investment Trustees Ltd.
Iran Overseas Investment Bank Ltd.
Jebec Finances Ltd.
Jammal Trust Bank B.A.L.
Japan International Bank Ltd.
Jolimen Finance Ltd.
Kalyal Finance Ltd.
Keesler Federal Credit Union
King's Lynn Finance Ltd.
Kintyre Securities Ltd.
Knowsley and Co. Ltd.
Korea First Bank
K. Shoemakers Ltd.
Langrie Trust Ltd.
Langtonian Finance Ltd.
Lewis's Bank Ltd.
Lloyds Associated Banking Company Ltd.
Lloyds Bank International (France) Ltd.
Lloyds and Scottish Ltd.
Lloyds and Scottish Trust Ltd.
Llyn Property Co. Ltd.
Lorabard and Ulster Banking Ltd.
Lombard North Central Ltd.
Lombard Street Investment Trust Co. Ltd.
London Capital Securities Ltd.
London and Colonial Banking Corporation Ltd.
London and Harrogate Securities Ltd.
London Interstate Bank Ltd.
London Law Finance Ltd.
London Law Securities Ltd.
London Scottish Banking Corporation Ltd.
Lordsvale Finance Ltd.
Lucas Employees Savings Bank.
Lucas Employees Share Bank
Manchester Exchange and Investment Bank Ltd.
W. M. Mann and Co. (Investments) Ltd.
Edward Manson and Co. Ltd.
Manufacturers Hanover Export Finance Ltd.
Manufacturers Hanover Leasing U.K. Ltd.
The Mardun Investment Co. Ltd.
Marine Midland Ltd.
Martec Industrial Finance Ltd.
Matheson and Co. Ltd.
Mercantile Bank Ltd.
Mercantile Credit Company Ltd.
Merchant Banking (N.I.) Ltd.
Merseyside Finance Ltd.
The Methodist Chapel Aid Association Ltd.
M.N. Credit Corporation Ltd.
MMN Investments Ltd.
Moneycare Ltd.
Mortgage Management and Investments Ltd.
Moscow Narodny Bank Ltd.
Motor Investments (West Midlands) Ltd.
Multibanco Comermex S.A.
Musket Finance Ltd.
Muslim Commercial Bank Ltd.
National Bank of Greece S.A.
National Bank of Nigeria Ltd.
The National Children's Charities Fund Ltd.
National Commercial and Glyns Ltd.
National Guardian Securities Ltd.
National Trust of India Ltd.
Nedbank Ltd.
New Nigeria Bank Ltd.
M.J.N. Nightingale and Co. Ltd.
Noble Grossart Ltd.
The North of Scotland Finance Co. Ltd.
North West Securities Ltd.
Northern Bank Development Corporation Ltd.
Northern Bank Executor and Trustee Company Ltd.
Northern Ireland Industrial Bank Ltd.
Northern Ireland Industrial Bank (I.D.M.) Ltd.
North West Securities Ltd.
Norton Warburg Carter Bread Ltd.
Norwich General Trust Ltd.
ODB Services S.A.
Oldham Church Schools Building Co. Ltd.
Overseas Trust Bank Ltd.
Page and Gwyther Ltd.
Park Street Securities Ltd.
Derek Parry Ltd.
The Peoples Bank Ltd.
The Perseverance Banking and Trust Co. Ltd.
Personal Loans (Investments) Ltd.
Pointsn York Ltd.
Prestwick Investment Trust Ltd.
Provincial Bank of Ireland Ltd.
The Punjab and Sind Bank Ltd.
Qatar National Bank S.A.Q.
Quayside Finance Ltd.
Gerald Quin, Cope and Co. Ltd.
Rafidain Bank
Rathbone Bros. and Co.
Ravendale Securities Ltd.
Red Dragon Securities Ltd.
P.S. Refson and Co. Ltd.
Reliance Bank Ltd.
Rossminster Ltd.
The Royal Bank of Canada (London) Ltd.
The Roylon Investment Co. Ltd.
S and B Employees Share Bank
St. Martin-le-Grand Securities
St. Tydfil Finance Ltd.
David Sassoon and Co. Ltd.
Saturn Investment Management Co. Ltd.
Schlesinger Ltd.
E. S. Schwab and Co. Ltd.
Scott Wilson Investments Ltd.
Scottish Western Trust Holdings Ltd.
Seattle-First National Bank
Security Pacific National Bank
Security Trust Co. Ltd
Service Finance Corporation Ltd.
Sherwood St. John
Silkbarn Management Ltd.
Société Générale Bank Ltd.
South Birmingham Savings Society Ltd.
South Notts Finance Ltd.
Southsea Mortgage and Investment Co. Ltd.
S. P. Finance Ltd.
The Standard Bank Ltd.
Standard Credit Services Ltd.
State Savings Bank of Victoria
Sterling Credit Ltd.
The Teachers and General Investment Co. Ltd.
The Thai Farmers Bank Ltd.
Thorncliffe Finance Ltd.
Toronto Dominion International Bank Ltd.
The Toyo Trust and Banking Company Ltd.
Tozer, Kemsley and Millbourn (Holdings) Ltd.
Tricity Acceptances Ltd.
Trinity Trust and Savings Ltd.
Trajan Investments
Trucenda Trusts Ltd.
Turkish Bank Ltd.
Twentieth Century Banking Corporation Ltd.
Tyndall and Co.
UBAF Bank Ltd.
Ulster Investment Bank Ltd.
Unico Finance Ltd.
United Dominions Trust Ltd.
United Kingdom Guarantee Corporation Ltd.
United International Bank Ltd.
Utobond Ltd.
Barrie Vanger and Co. Ltd.
Venture Finance Ltd.
Wallgate Old Hall Ltd.
Wells Fargo Bank N.A.
Wells Fargo Ltd.
West Cumberland Farmers Ltd.
West Riding Securities Ltd.
Western Trust and Savings Ltd.
Whiteaway Laidlaw and Co. Ltd.
Whiteways Finance Co. Ltd.
Wholesale Vehicle Finance Ltd.
Wimbledon and South West Finance Co. Ltd.
Wintrust Securities Ltd.
The Worcestershire Housing and Savings Society
Württembergische Kommunale Landesbank Girozentrale
H. F. Young and Co. Ltd.
Zambia National Commercial Bank Ltd.

APPOINTMENTS

Group executive changes at Charter Consolidated

Dr. A. Spinks has been appointed non-executive chairman of CHARTER CONSOLIDATED and Mr. J. N. Clarke has been made chief executive. Mr. M. B. Hofmeyr, formerly chairman and chief executive, is returning to Johannesburg but remains a director. Two new executive directors are Mr. G. A. Higham, who becomes head of the company's industrial division and Mr. A. J. W. Owston, as head of the mining division. Mr. H. J. Stucke, at present technical director, will be returning to Johannesburg in June to take up a senior appointment with the Anglo American Corporation of South Africa and will relinquish his position as a director of Charter Consolidated. Mr. J. V. Gleasby becomes head of Charter's technical department and an alternate director. Mr. J. D. Ballardie and Mr. M. J. Statham will also be appointed alternate directors. Mr. L. H. G. Livingstone-Learmonth, responsible for mining projects, and Mr. N. G. McNair-Scott, in charge of new business development, are named managers of Charter.

Mr. Higham, deputy chairman and managing director of Cape Industries, a subsidiary, has been elected chairman of that company in succession to Mr. L. G. Stopford Sackville, who is to relinquish the chairmanship and resign from the Board after its annual meeting on May 20. Taking over from Mr. Higham as managing director on June 1 will be Mr. W. R. Doughty, a director responsible for the building and insulation division since 1972 and appointed assistant managing director in December, 1979. Mr. Clarke joins the Board of Cape Industries at the beginning of June.

★

Mr. John Little, managing director of Lloyds and Scottish Finance, has been appointed chairman of the FINANCE HOUSES ASSOCIATION in succession to Mr. Joe Skelton, managing director of Wagon Finance Corporation, who has completed his two-year term of office. At the same time, Mr. Tom O'Malley, managing director of Forward Trust, becomes vice chairman of the Association.

★

The DUDLEY IRON AND STEEL COMPANY (1950) has appointed Mr. D. H. Willetts and Mr. R. J. Willetts as directors, and Mr. M. C. Gopsill as director and company secretary.

★

Mr. D. T. Hulme, a non-executive director of SANDHURST MARKETING, of Crewley, has been appointed deputy chairman. Mr. H. E. Seat has become chief executive and managing director and Mr. P. N. Whitehead has been made deputy managing director.

★

Mr. B. E. Radley has joined the Boards of UNITED STANDARD INSURANCE COMPANY and VIGILANT ASSURANCE COMPANY.

★

Mr. Kenneth F. Dibben, a non-executive director of Kalamazoo Clark Son & Morland, has been appointed a member of the BASILDON DEVELOPMENT CORPORATION by the Secretary for the Environment.

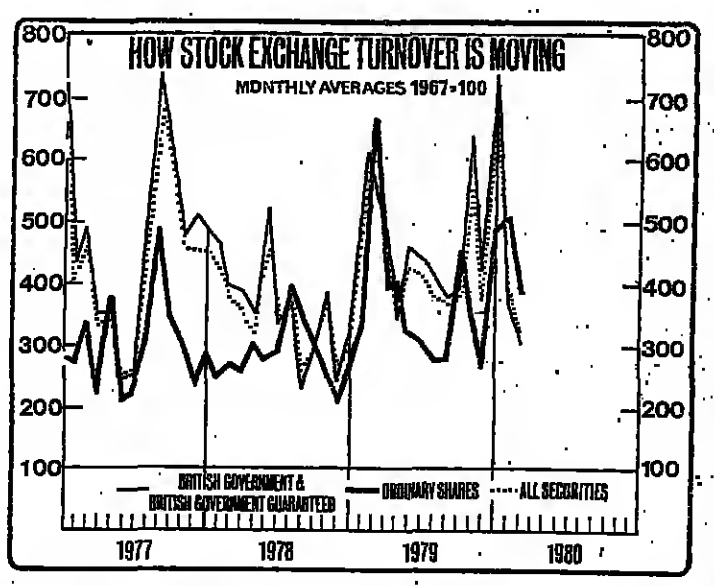
★

Mr. David G. T. McAdams has been appointed a director of C. ROWBOTHAM AND SONS (MARINE).

STOCK EXCHANGE TURNOVER IN MARCH

Turnover down in all sectors

BY NIGEL SPALL



BUSINESS in stock markets contracted further last month as industrial unrest and, in the latter part of the period, pre-Budget lethargy inhibited trading. Total turnover in March, at £10.34bn, was down by £2.33bn, or 18.4 per cent. The number of bargains decreased by 24,674 to 477,861 and the average value per bargain fell by £3,576 to £21,633. The Financial Times stock exchange turnover index for All Securities reacted from 388.2 in February to 316.8, which compares unfavourably with January's near-record 660.8.

Trade in gilt-edged fell by £1.6bn, or 18.2 per cent, on the month to £7.2bn, its lowest since December 1978 (£5.6bn). Business in short-dated stocks fell by £0.8bn to £3.8bn, while that in other Government securities receded similarly to £3.5bn.

The number of bargains done in the Funds, however, increased by 2,046 to 83,023, with deals in the shorts 2,503 higher at 32,505, more than making up the fall of 457 in the longs and irredeemables—50,518 as against 50,975. The FT turnover index for Government Securities reflected the decreased business by falling to 306.4 compared with February's 374.7 and the 1979 monthly average of 454.8. The FT Government Securities index closed the month 0.37 lower at 64.58.

Business in equities subsided in the absence of investment incentives and Sir Geoffrey Howe's latest Budget proposals provided little stimulus in the last three trading days of the month.

Equity turnover last month slipped £0.7bn to £2.15bn, with the number of bargains down by 27,936 to 354,558.

The FT turnover index for Ordinary shares fell from February's 507.0 to 383.1 but still compares favourably with the 1979 monthly average of 358.5. Prices of the miscellaneous industrial leaders drifted lower in subdued trading as labour and economic uncertainties persisted. From an end-February level of 467.1, the FT Industrial Ordinary index moved progressively lower to end the month 40.1 down at 427.0.

Gold shares tumbled with the gold bullion price which dropped \$136½ to \$504 an ounce during March, and the FT Gold Mines index ended the period with a bigger proportionate loss of 104.5 to 273.4.

Category	Value of all purchases and sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	3,780.4	36.6	32,505	6.8	180.0	116,301	1,548
Others	3,458.4	33.5	50,518	10.6	164.7	68,458	2,406
Irish Government: Short dated (having five years or less to run)	280.5	2.7	1,493	0.3	13.6	187,856	71
Others	222.7	2.1	2,476	0.5	10.6	89,946	118
UK Local Authority	332.5	3.2	5,893	1.2	15.8	56,421	281
Overseas Government Provincial and Municipal	10.3	0.1	1,700	0.4	0.5	6,088	81
Fixed interest stock, pref., and prefd. ordinary shares	106.0	1.0	28,718	6.0	5.0	3,691	1,367
Ordinary shares	2,146.8	20.8	354,558	74.2	102.2	6,055	16,883
Total	10,337.6	100.0	477,861	100.0	492.3*	21,633*	22,755*

* Average of all securities.

Un holding financier dépendant d'un puissant groupe Industriel cherche, dans le cadre de sa restructuration européenne, à pourvoir un certain nombre de postes au niveau direction.

Directeur Financier *Paris*

Controlant une dizaine de Sociétés de Financement en Europe, le Directeur Financier do Holding exerce, sous le contrôle du Directeur Général, une autorité fonctionnelle sur leurs directions financières. Il cordonne leurs interventions auprès des banques auxquelles celles-ci font appel et participe à la négociation des opérations le plus importantes, il contrôle l'élaboration des plans et budgets de ces sociétés et en suit l'évolution, il vérifie la sincérité et la fidelité de leurs comptabilités. Il est aidé dans ses fonctions par des spécialistes d'informatique et d'audit. Agé d'environ 40 ans, de formation supérieure, le candidat retenu aura excercé des responsabilités comptables si possible dans le domaine des sociétés de financement, il fera preuve d'une grande expérience des marchés du crédit court et moyen terme dans les principaux pays d'Europe et une bonne connaissance des milieux bancaires. Il aura exercé sès activités dans un ou plusieurs pays d'Europe et acquis, du fait de ses séjours, une connaissance tout à fait courante de l'anglais, du francis et, si possible, d'une autre langue. Ref. B.2314.

Directeur Financier *Londres*

La filiale britannique prend en charge un volume important de financement de points de ventes et de crédits à la clientèle. Son Directeur Financier a la charge de négocier auprès des banques, les emprunts court et moyen terme correspondants, d'établir les plans et budgets et de superviser la comptabilité de la société. Il exerce ses fonctions sous l'autorité hiérarchique du Directeur Général de la Société et sous l'autorité fonctionnelle du Directeur Financier de la Société holding dont dépend la filiale. Agé de 35 ans, le candidat retenu aura une formation supérieure et plusieurs années d'expérience du fonctionnement du marché du crédit si possible à Londres et enfin la pratique du contrôle de gestion et de l'informatique d'une enterprise performante. Ref. B.2315.

Directeur Financier *Pays-bas*

La définition des tâches et des responsabilités est la même que ci-dessus, mais la fonction s'exerce dans le cadre d'une société moins importante mais en développement. Le profil du candidat agréé est également similaire. Le poste peut convenir un citoyen français ou belge parfaitement bilingue en néerlandais. Ref. B.2316.

Pour tous ces postes, la nationalité est indifférente, mais en plus de l'anglais et de français, les candidats doivent avoir une parfaite connaissance de la langue du pays dans lequel ils travaillent. Une grande mobilité physique est indispensable et ces postes ne peuvent convenir qu'à des hommes ayant une approche moderne des techniques de management. Etant donné l'importance du groupe, il existe de nombreuses possibilités d'évolution de carrière à l'échélon international.

Ecrire en francais avec curriculum-vitae detaillé, rémunération actuelle et prétentions à: B. Mangou, en précisant la reference. MSL International, 73 Boulevard Haussmann, 75008 Paris.

MSL **Management Selection Limited**
International Management Consultants

United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Our client is the U.K. subsidiary of a major Swedish company, marketing high value capital equipment. Their turnover is in excess of £30m. and they employ around 500 people. They now require a

Credit Manager

to Head the Department

The successful candidate will be experienced in accounting or finance preferably in a modern marketing organisation. Reporting directly to the Financial Manager his/her duties will include:

- Providing for prompt turnover and adequate protection of the company's investment in accounts receivable.
- Formulating and maintaining sound and constructive credit policies.
- Developing and controlling a new "ON-LINE" accounts receivable system.
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- Developing and motivating a staff of 10.

This many sided job demands a person with flair and versatility able to contribute to the profitable operation of the company.

The company is situated in the Home Counties about 25 miles North of London.

Salary is negotiable and a car is provided along with a very good benefits package and opportunities for personal development.

Please write in the first instance, enclosing full personal and career details to: Ross M. Ormrod, Ref:821, Mercuri Urval Limited, 135A, High Street, Rickmansworth, Herts. WD3 1AR.

Mercuri Urval

FINANCIAL ACCOUNTANT

c. £14,800 and benefits

MIDDLE EAST

To assist the Financial Controller of an international transportation and construction group with all aspects of accounting, legal and administrative functions and control of a busy department. Excellent free accommodation, food, utilities, car and 60 days leave p.a. Single status initially. Applications for an early client interview on 8th/9th April, telephone:

Gerald Brown

Mervyn Hughes Alexandre Tic (International) Ltd.

2/3 Cursitor Street, London EC4A 1NE. Tel: 01-404 5801, quoting Ref. 6498.

FINANCIAL EXECUTIVE

£10,000 p.a.+ **West Country**

Fielding & Platt, a medium/heavy engineering company supplying hydraulic press equipment to many industries throughout the world, seeks to appoint a senior financial executive to its management team.

The company, based in Gloucester, is part of the Redman Heenan International Group. The successful applicant, aged 28-45, will be required to demonstrate:-

- a successful record in a senior financial post within manufacturing industry.
- experience of operating highly effective financial controls using D.P. systems.
- ability to lead an efficient financial function and contribute to the formulation of management policy.
- a technical competence and personal integrity through possession of appropriate formal qualifications.

Attractive remuneration package and help with relocation expenses will be provided.

Please write, giving brief details, in the first instance to:-

N. Churchill,
Executive Resources Ltd.,
11th Floor,
City Centre House,
Union Street,
Birmingham B2 4SR.

021-643 6071.

EUROPEAN CONTROLLER/DIRECTOR OF FINANCE

NORTH DUBLIN CITY

Our client, **Documation Products B.V.**, is the European Manufacturing Headquarters and a Management Centre, part of Documation Inc., a New York Stock Exchange listed manufacturer of computer sub-systems. Due to an overall realignment and expansion, designed to meet growing market demand from the EEC countries, a dynamic European Controller/Director of Finance is now required.

Reporting to the Vice President/Managing Director, the successful candidate is likely to be responsible for the entire controllership, treasury and general financial management areas. This is a newly created position on the Senior Management Team providing unusually good career prospects for a qualified candidate who can meet the exacting demands of this key appointment.

A very competitive salary will be negotiated. Fringe benefits and working conditions will be attractive and in keeping with the status of this position.

Applicants should send comprehensive, personal, career and salary details to J. R. Dillon at Harcourt House, Harcourt Street, Dublin 2. Please quote Reference No. 1885.

Peat, Marwick, Mitchell & Co.
(Management Consultants) Ireland
DUBLIN, BELFAST, CORK & LIMERICK.

TREASURER

Brussels **BF Neg.**

This appointment is as a key member of a small but highly professional team making up the newly created European Corporate Headquarters of a rapidly expanding U.S. group. The ideal applicant will combine experience in dealing with international banks with a knowledge of sales financing and some involvement in vetting credit-worthiness of customers. Benefits include a company car and low taxation.

FINANCIAL ANALYST

S.W. London **£10,000**

This appointment is based at the European headquarters of a group whose management style exemplifies what is best in the American approach to management — efficient, enthusiastic and up-to-date yet still friendly and relaxed. Calling for a qualified accountant or relevant graduate with experience of computerised systems, the job centres around planning and the analysis of profitability, providing a back-up to senior line management.

MANAGEMENT CONTROLS

Essex **£10,000**

This position with a small manufacturing unit of an international group of companies will appeal to the young qualified accountant with industrial experience seeking a broader outlook. Emphasis is placed on the personality and ability of the individual to make a full and positive contribution to the management and profitability of the company by sound financial planning, the development of computerised systems and introduction of financial controls where necessary.

CHARTERED ACCT.

C. London **c £9,000**

Start at the top! This position reports to the Chief Accountant of a £60m turnover division of a large but decentralised group. As such it will provide a 'bird's eye view' over all aspects of the division's operations. Specific duties will include performance monitoring, cash forecasting and other aspects of financial management, using sophisticated computerised systems. First class prospects exist in this expanding concern.

MANAGEMENT ACCT.

C. London **c £[illegible],700**

This U.K. industrial conglomerate, which manufactures, distributes and markets a range of specialist products, seeks a newly qualified accountant to be groomed for a senior line appointment. The position will provide an essential link between operations management and the finance function, involving considerable liaison with strategic reviews, planning and profitability studies. The interpretation of periodic results will also be an important task. Conditions are first-class.

Lee House, London Wall, London EC2Y 5AS. Tel: 01-606 5771

ROBERT HALF
Accountancy & Financial personnel specialists

MANAGEMENT RECRUITMENT OFFICER

Beijerinvest is a Swedish group of companies with substantial international activities. Last year's sales amounted to approx. £ 1.5 billion and the number of employees is about 10,000.

One of the major concerns within the Group Management is to assist our subsidiaries in their constantly growing demand for management recruitment.

The management recruitment officer to be appointed will most likely be based in London. But the tasks will certainly to a large degree include international contacts and activities.

The successful applicant would be thoroughly experienced in the recruitment of qualified personnel, and is expected to have well developed contacts within trade and industry.

Our basic idea is to employ the appointee, but other terms could be discussed.

Applications with curriculum vitae should be sent before April 24, to: Pär-Tage Gustafsson Esq., Senior Vice President, Administration, Beijerinvest, P.O. Box 7823, S-103 97 Stockholm, Sweden.

BEIJERINVEST

WORLD HEALTH ORGANISATION

invites applications for the post of AUDITOR, Office of Internal Audit in Geneva.

Duties will involve professional auditing work covering the financial, administrative and operational procedures and activities of all funds and resources administered by the Organization, and the drafting of audit reports.

Applicants should have a professional qualification, e.g. Chartered Accountant or Certified Public Accountant degree or its national equivalent, and several years' auditing and/or accounting experience, preferably in a professional accountant's office or as internal auditor in a governmental, other large-scale organization or international organization. An excellent knowledge of English is essential, with a working knowledge of French. Knowledge of other European languages, such as Spanish and Portuguese, would be an asset.

Applications, quoting reference VN/IAU, should be addressed to:

World Health Organization
Personnel
CH-1211 Geneva 27

Only candidates under serious consideration will be contacted.

Corporate Financial Director

Home Counties c.£15,000

To be based at the British subsidiary of a well known American organisation with a unique reputation in the aerospace industry.

The British Group has its own research, contract design, production and marketing facilities, needing close financial control, accounting and costing procedures.

Planned expansion of the U.K. operation, plus liaison with the American parent and assistance to the European Vice President in co-ordinating the programmes and activities of the two continental sister companies add up to an absorbing and rewarding task with distinct career progression potential.

We seek a graduate Chartered Accountant with industrial and commercial experience—possibly 35-45—who can make a major contribution to this old established business just entering a new growth phase.

Interested applicants are asked to send brief but comprehensive details of their career to Laurie Leask at the address below, quoting Ref. No. 153/8.

Charles Barker-Coulthard
2 Tavistock Place, London WC1H 9RA.
Telephone 01-278 6961

Management Selection - Executive Search

INTERNATIONAL & MERCHANT BANKING OPPORTUNITIES IN THE CITY

LOANS ADMIN.

Age 25-27 **to £6,800**

Major American Bank in the City seeks ambitious young banker with at least two years' experience in all aspects of loans admin. with emphasis on drawdowns and rollovers. Excellent fringe benefits include 5% mortgage and free lunch.

SECURITIES CLERK

Age 23-28 **£6,500**

Leading American Bank in the City seeks disillusioned young clearing bankers with good experience of charged securities to work in their active credit division. Superb career opportunity. Fringe benefits include mortgage facility and free lunch.

SENIOR F.X. POSITIONS

Age 23-25 **to £6,900**

Major International Bank seeks mature, conscientious young person with min. 2 years' background in F.X. Positions, to join busy expanding dept. exc. benefits include mortgage fac., L.V.'s etc.

CREDIT ANALYST

Age 23-26 **c. £7,000**

Well-established Consortium Bank seeks ambitious, well-educated young banker with at least 18 months' experience of balance sheet analysis, to take up a supervisory role in small but expanding Credit Dept. Superb bens. package incl. mortgage fac.

If your present job in banking does not seem to be developing along the right lines and you feel in need of sound, objective advice on current opportunities in the City, ring Banking Personnel now for an informal chat with one of our Consultants.

BANKING PERSONNEL
4[illegible]2 London Wall · London EC2 · Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)

GROUP FINANCIAL CONTROLLER

An experienced and qualified accountant, aged 35 plus is required to strengthen the financial control function in a West Midlands based group of engineering companies.

Candidates will be familiar with financial reporting systems in a multi-company organisation and the preparation of consolidated accounts. Duties will include financial reports of potential acquisitions and occasional investigations into subsidiary companies' problem areas.

The person appointed will report to the Group Finance Director. Salary is circa £11,000 plus a car with pension and BUPA benefits. Relocation expenses will be paid where appropriate.

Write to Peat, Marwick, Mitchell and Co.
Windsor House, Temple Row, Birmingham B2 5LD
(Reference DPC)

If you are taking 'A' levels in 1980
THINK SERIOUSLY OF A CAREER IN JOURNALISM

Would you be keen to become a newspaper reporter, interviewing people about community affairs and the unusual events that make news? Your job would be to report life as it is —warts and all—at courts, councils and elsewhere.

Like the idea? If you are likely to have two 'A' levels and will be under 20 on 1st September 1980, write without delay to the address below, for an application form for the NCTJ Newspaper and Journalism one-year full-time course which starts that month, enclosing a 9 in. x 4 in. stamped and addressed envelope.

Full-time training courses are also available in Press Photography and Periodical Journalism.

National Council for the Training of Journalists, Harp House, 179, High Street, Epping, Essex. CM16 4BG.

FINANCIAL CONTROLLER

Central London **c. £15,000**

Our client is a highly profitable private company employing about 75 staff. Its interests include financial leasing, property and advertising.

A need has arisen for a Chartered Accountant, with several years' financial management experience together with first-hand experience in helping to administer a private pension scheme. Preferred age 37-[illegible]. He/she will report direct to the Managing Director.

Please write with full career details to:

Mr. R. Honour
ARMITAGE-NORTON CONSULTANTS
Hazlitt House, 28 Southampton Buildings
Chancery Lane, London WC2A 1AR

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Japanese Analyst

Hong Kong

Jardine Fleming is a merchant bank headquartered in Hong Kong with branches in Tokyo, Manila and Singapore.

Because of expansion in its Japanese investment activities, Jardine Fleming requires an analyst to expand its existing research team. The successful candidate will be based in Hong Kong and will work with investment executives in London, Hong Kong and Tokyo.

The ideal candidate will have some analytical experience gained either in an investment institution or a stockbroking firm. Knowledge of the Japanese market would be useful, but not essential. The preferred age is mid to late 20's.

A highly competitive salary will be offered with overseas benefits, and the position offers excellent career prospects. Apply in writing, enclosing c.v., to:

P.A.F. Gifford, Robert Fleming & Co. Limited,
8 Crosby Square, London EC3A 6AN.
Tel: 01-638 5858.

Jardine Fleming

Manager – Systems & Procedures

City **Circa £11,000+car**

Our client is a multi-national group which provides financial and commercial services to importers and exporters throughout the world.

The group, which has experienced substantial growth over recent years, now seek to strengthen the head office finance function through the recruitment of a Manager – Systems & Procedures. Reporting to a Senior Finance Executive the successful candidate will be responsible for initiating, designing and implementing financial systems, policies and procedures.

Candidates should be qualified accountants with at least four years' post qualification experience. They must demonstrate the ability to work independently, have a high degree of technical competence and possess a creative and innovative flair.

Prospects for advancement within the group are excellent.

Please contact **Peter Dawson** in strict confidence at
DUNLOP & BADENOCH Executive Services,
37/39 Eastcheap, London, EC3M 1DT.
Telephone 01-623 3544/5/6 quoting reference 1002.

db

OPERATIONS REVIEW

Flexible Location **£9,500+Car**

A major U.K. multinational group with diverse commercial interests requires an ambitious, intelligent and personable young accountant to join its high calibre financial review group. The position is seen as an excellent introduction to the company prior to moving into a senior financial position within the group.

Candidates must be two years qualified and have gained exposure to sophisticated management reporting systems. They must be graduates in their 20's and able to relate to personnel at all levels. A flexible approach and the ability to adapt to changing circumstances and new situations are necessaries for this position.

For further information and a personal history form, please telephone Jeremy Kidson or Mark Scott M.A. A.C.A. on 01-836 9501, or write to us at 410 Strand, London WC2R 0NS, quoting reference 2823.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

Institutional Equity Sales

Merrill Lynch, Royal Securities, one of Canada's major International Securities trading and financing servicing houses, is expanding its London Institutional Equity Sales Department and is now seeking more Executives to aid this important future growth.

Candidates should have experience of servicing large International Institutional clients as they will be assigned current accounts and will be expected to contribute strongly to business development. Candidates may also be presently employed in the Overseas Investment Department of an Institution.

Knowledge of Canadian markets is essential and a second language capability would be a distinct advantage.

The Company is prepared to offer a highly attractive salary plus bonus which will reflect the expected potential, and personal performance.

Some International travel will be expected.

If you are a highly motivated self-starter and would enjoy the challenges presented in these positions, please send a brief summary of your qualifications and experience in confidence to: J. H. MacLennan, Merrill Lynch Royal Securities, 3-5 Newgate Street, London EC1A 7DA.

Merrill Lynch
Merrill Lynch
Royal Securities

FX DEALING

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IN FORWARD
D-MARKS

Leading merchant bank wish to strengthen their comprehensive trading room by appointing an experienced senior FX Dealer to concentrate on a dollar D-mark book and build a reputation in the London market. Excellent conditions include car.

Replies to Box A7105
Financial Times
10 Cannon Street, EC4P 4BY

PRIVATE CLIENT EXECUTIVE

A leading firm of stockbrokers is looking for a person to join their rapidly expanding Private Client Department. The ideal candidate will have a mature appearance and be able to communicate ideas fluently, both verbally and in writing. A working knowledge of tax and/or insurance plus experience in dealing with private clients would be helpful but by no means essential. Existing clientele is not necessary, although such business could be retained. Renumeration will be commensurate with experience and qualifications.

Please write, in confidence, to:
Ian Maxwell Scott Esq., Messrs. Kemp-Gee & Co.,
20 Copthall Avenue, London EC2R 7JS

NATIONAL UTILITY SERVICE INC. (U.K.) LTD.
WORLDWIDE ENERGY COST CONSULTANTS
HAVE ESTABLISHED A SUBSIDIARY COMPANY

NUS ENERGY CONSERVATION CONSULTANTS LIMITED

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The successful candidate will have experience of on-site energy surveys and the presentation of reports highlighting both financial and engineering implications.

The ability to train and manage the staff required to provide this comprehensive service will be an asset.

The position will be based at the parent company head office in Croydon.

This is a challenging opportunity for the right person to play a significant role in a growth-orientated company. The rewards will be commensurate with achievement.

Please submit curriculum vitae to:
A. K. Pawlowski
NUS Energy Conservation Consultants Limited
Carolyn House, Dingwall Road,
Croydon, Surrey CR9 3LX
Tel: 01-681 2500

ASSOCIATE CONSULTANTS

City

INTERACTIVE DATA CORPORATION, a subsidiary of the Chase Manhattan Bank N.A., wishes to recruit associate consultants to join its rapidly expanding team in London.

These positions have been created with responsibility for the support and development of existing services to the European financial community with some emphasis in the area of international cash management.

The successful candidates will probably have the following:

★ A degree or equivalent qualification in business studies, accountancy or economics
★ Experience in an international financial environment
★ Experience in the programming and support of financially orientated computer systems
★ *Ability to communicate effectively with clients*

Fluency in English is essential and a working knowledge of a European language would be advantageous, as regular European travel is envisaged.

Candidates with the above qualifications who seek a stimulating environment for professional and financial growth are invited *to reply in confidence, enclosing a c.v. to:*

Bernard J. Barnett
Director of Services, U.K.
INTERACTIVE DATA CORPORATION
80 Coleman Street, London EC2R 5BJ

Bank Lending Officer

Middle East

An expanding and profitable Middle Eastern financial institution wishes to identify an experienced lending officer to join its team of professionals.

The successful candidate will develop and implement an aggressive marketing programme and will analyse, recommend, negotiate and administer an assigned loan portfolio.

Qualifications should include a university degree followed by credit training and at least three years international lending experience. Familiarity with Middle Eastern banking would be desirable and candidates should be able to work easily with a wide range of nationals and adapt to living and working in the area. Fluent English is essential and Arabic would be a distinct asset.

An attractive base salary is offered plus a bonus and a generous range of fringe benefits.

Replies to be sent in strictest confidence to:

Box FT/612,
St. James's Advertising & Publishing Co. Ltd.,
Hanway House, Clark's Place, London EC2N 4BJ

CHIEF ACCOUNTANT

A GROUP OF COMPANIES IN THE MUSIC INDUSTRY
BASED IN ISLINGTON
REQUIRES A FULLY QUALIFIED CHIEF ACCOUNTANT

to run an accounts department of ten people and take full responsibility for their accounting and company secretarial matters.

A knowledge of the music or other entertainment business would be useful but not essential but several years' experience in running an accounts department in commerce or industry is absolutely essential. The activities of the group include music publishing, audio and lighting rental, recording studio and various allied interests.

We need a person who has thorough practical experience of modern accounting techniques and systems, including computerised accounts, and someone who appreciates the need for detailed monthly figures and financial information always needed in a hurry!

The salary offered will be at least £12,500 plus a company car and P.P.P. membership. The post would carry membership of the company's non-contributory pension scheme after 18 months' service. Age range 30 to 45.

Please write with full C.V. to:
MR. N. LAWRENCE
PINK FLOYD MUSIC LIMITED
35 BRITANNIA ROW, LONDON N1 8QH

FINANCE DIRECTOR AND CONTROLLER

£13,000 + AND CAR

This job is a key new appointment to help a world leader in micro-based audio visual and lighting control systems move into higher gear after a solid record of profitable expansions.

An A.C.A., C.A. or A.C.M.A. with first-rate experience in management information systems and practical accounting with a view to profit will be asked to propose and implement a new D.P. system including stock and production control, as well as carrying full corporate responsibility under the M.D. for all the other functions of a group finance director.

You will join a small, highly competent team and make a unique contribution to the future of a most interesting British company with excellent financial backing and international involvement. (Current T/O approximately £6m.) Please apply in writing to Ian Simpson, Managing Director, Electrosonic Limited, 815 Woolwich Road, London SE7 8LT.

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We introduce skilled, successful and talented Directors, with demonstrable records of achievement, in both private and quoted companies, to Chairmen wishing to broaden the base of their Board or to inject new impetus into a company.

Each candidate has been individually *evaluated by us during a long interview* and has undergone appropriate psychometric tests. Only Directors who match precise criteria receive our support. Thus, while our quantity of prospective candidates is restricted, the quality of each one is high and embraces all main functions. We do not maintain registers.

Chairmen wishing to pursue this important matter are invited to contact the undermentioned, in strictest confidence, for personal attention.

P. J. G. ROLANDI, Chairman,
Alliance Management Consultants Ltd.
15 Borough High Street,
London SE1 9SH

EXECUTIVES

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140 Grand Buildings,
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London WC2.

MANAGER

(ADVERTISING AND MARKETING)

An International Monthly Magazine to be launched in the autumn is looking for an experienced and enterprising manager to generate advertising, establish a distribution network and organise promotional strategies. The applicant should be free to undertake extensive foreign travel and must have at least five years' experience in a similar position. Terms negotiable.

Please apply to:
Secretary, SOUTH PUBLICATIONS LTD.,
New Zealand House, Haymarket, London, SW1Y 4TS.

SECTORIAL SPECIALIST

The Inter-American Development Bank invites applications for a specialist in the bank's regional field office in Port-au-Prince, Haiti. The successful candidate will provide technical evaluations of loan requests, supervise on-going project executions and identify projects for possible bank financing.

Candidates must have an advanced degree in civil engineering, practical multisectorial experience, be nationals of an IDB member-country and speak fluent French.

For full details and application form please apply, giving details of age, qualifications and experience, to:

Inter-American Development Bank,
Personnel Division,
808-17th Street, N.W.
Washington D.C. 20577, U.S.A.

SHEARSON LOEB RHOADES INC.

We are expanding our activities and would like to hear from Investment Executives well versed in U.S. securities markets who are seeking new opportunities and a fresh environment. Remuneration will be fully commensurate with applicants' qualifications.

Please write, in confidence, enclosing curriculum vitae, to:
J. T. Powell
Shearson Loeb Rhoades Inc.
16 Moorfields Highwalk, London, EC2

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BECOME A MANAGER
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Our client is a major commercial bank with an international network of branches, mainly in the third world. They have a vacancy in their London head office for a young accountant with at least a year's post-qualified experience to whom they can offer excellent banking career prospects.

Initially you would join an audit team, examining UK accounts, appraising business systems and monitoring operating methods in Britain.

Two years in this role should provide you with a good introduction *to the bank's business*, and you would then be offered the opportunity of joining a specialist banking department. The bank's training facilities are outstanding, and you would be eligible for a range of fringe benefits which includes an immediate mortgage subsidy.

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New opening for person to control accounting, costing, budgeting and management information in expanding private company—print/labelling/graphic communication. *Write with CV to:* David Surall, Suralls of Wisbech, Nene Parade, Wisbech, Cambs.

WANTED GEOLOGISTS AND GEOPHYSICISTS

Minimum five years' oil industry experience. Staff or Consultancy appointments for Africa and Middle East. Send photo.

Write Box A7106, Financial Times, 10 Cannon Street, EC4P 4BY.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	—	—	10	2.80	—	—	F.251
AKZ C	F.22.50	9	0.60	19	1.50	35	2.40	F.22.60
AKZ C	F.25	30	0.10	51	0.80	—	—	"
AKZ C	F27.50	—	—	—	—	20	0.80	"
AKZ P	F.22.50	—	—	—	—	13	1.70	"
AKZ P	F.27.50	10	4.50	22	6.50	—	—	"
HEI C	F.55	20	6	—	—	—	—	F.70.50
HEI C	F.70	16	2.30	—	—	—	—	"
HEI C	F.75	7	0.60	14	2.30	20	3.80	"
HEI C	F.80	—	—	1	1.80	—	—	"
HEI P	F.55	10	0.50	—	—	—	—	"
HEI P	F.70	10	1.30	5	4.90	5	5.30	"
HEI C	F.75	2	5	—	—	—	—	"
HO C	F.17.50	—	—	17	2	1	2.50	F.19.70
HO C	F.20	—	—	60	1	10	1	"
IBM C	$60	2	—	10	2 5/8	—	—	$54 7/8
IBM C	$65	—	—	5	1 3/8	5	2 3/8	"
KLM C	F.50	21	3.60	36	6.50	18	7.30	F.65
KLM C	F.70	30	0.20	30	2.50	7	3.70	"
KLM C	F.80	—	—	67	0.60	5	1.20	"
KLM P	F.60	94	1.60	56	4.50	—	—	"
KLM P	F.70	55	8.50	55	9.70	10	12	"
KLM P	F.80	4	16.70	—	—	—	—	"
NN C	F.100	—	—	—	—	51	9.20	F.104.40
NN C	F.110	—	—	2	2.80	100	4.20	"
NN C	F.115	—	—	5	1.20	51	2.80	"
PET C	Fr.5000	5	80	1	250	2	370	Fr.4765
PET C	Fr.5000	—	—	2	80	—	—	"
PHI C	F.17.50	75	0.70	—	—	23	1.60	F.1780
PHI C	F.20	—	—	68	0.60	173	0.90	"
PHI C	F.22.50	—	—	—	—	2	0.40	"
PHI P	F.17.50	—	—	—	—	2	1.50	"
PHI P	F.20	—	—	14	3.80	—	—	"
PHI P	Fr.25	—	—	1	7.50	—	—	"
PRD C	$20	—	—	—	—	10	3 7/8	$19 7/8
RO C	F.140	5	15	17	16.50	—	—	F.152.50
RO C	F.145	—	—	31	11.50	—	—	"
RO C	F.150	145	4.30	9	7.80	12	11.80	"
RO C	F.150	179	0.70	179	4	56	6	"
RO C	F.170	—	—	260	1.50	27	3	"
RO P	F.140	71	0.60	7	4.40	2	6.80	"
RO P	F.145	14	1.20	10	7.30	1	9.50	"
RD P	F.150	142	2.70	10	9.50	—	—	"
RO P	F.160	30	9.50	—	—	10	19.60	"
RO P	F170	10	19.50	—	—	—	—	"
T C	$50	—	—	—	—	10	2 7/8	$45 3/4
T C	$55	—	—	20	1/2	3	1	"
		May		Aug.		Nov.		
BA C	$50	56	2 1/8	—	—	—	—	$54 1/8
BA C	$70	20	5/8	—	—	—	—	"
BAS C	DM.140	1	3.30	—	—	—	—	DM137.60
OXY C	$25	10	1 1/8	—	—	—	—	$23
VW C	DM.180	—	—	20	8.50	—	—	DM177

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Canada presses on with Telidon

THE CANADIAN Department of Communications is going ahead with seven field trials of Telidon, its computer information system.

Telidon is similar to Prestel which is run by the Post Office in Britain. It is a system by which a specially adapted television set can be linked to a computer on which is stored a vast amount of information including business data, travel timetables, shopping, theatre and holiday guides, weather, news and even encyclopaedias.

The link between the Telidon terminal may be a telephone line or the information may be broadcast like radio or television.

Design on Telidon began in early 1977 with a normal system ready by August, 1978. Today there are only 80 terminals in use for two field trials which were begun recently.

The first designated the "Telidon Project" involves about 55 terminals spread around Ontario which can connect into the system either by telephone or the broadcast method. A second trial in South Headingley, Manitoba, called "Project Ida" is being run by the Manitoba Telephone System and uses another 37 terminals.

By the middle of the year Alberta Government Telephones will begin a larger project connecting 120 terminals to Telidon in Calgary which will be followed in Autumn by a small private trial by the New Brunswick using only 20 terminals.

In 1981, the scale of the Telidon trials become more ambitious as the Department of Communications comes closer to a decision to run a full service.

In January 1981, using the Bell Canada telephone network 1,000 subscribers will be connected to Telidon in the Toronto area in Ontario and Montreal in Quebec. Users only have to dial the appropriate number in order to link up to the Telidon computer.

This will be followed by another Montreal trial involving 250 terminals where subscribers will be connected by a special cable rather like cable television by the company Télécable Videotron.

The last trial to be in operation, carried out by the Manitoba Telephone System under the auspices of the Department of Communications, is in Elie, a small farming community. About 150 homes are being linked by optical fibres, hair-thin strands of glass which carried pulses of light instead of the electrical signals carried by conventional telephone cables.

By linking the houses with optical fibres, this small community can be provided with the types of communications services previously only available to larger towns and cities and Telidon is one of the services to be offered.

The Canadian Department of Communications hopes that Telidon will become a serious competitor to Prestel which has already been sold to several other countries including West Germany, U.S. and the Netherlands.

Since it was developed later than Prestel, the designers have been able to add some very attractive features such as better graphics which allows finer diagrams to be drawn as well as animation.

ELAINE WILLIAMS

● PROCESSING

Oilseed pressing unit

SAID TO be more adaptable, simpler to operate and easier to maintain than its predecessors is a new dual-purpose screw press for the vegetable oil industry, introduced by Simon-Rosedowns, Cannon Street, Hull (0482 29864).

It is designed specifically to meet the high pressure operational requirements of the modern oil miller, says the company, and can be used as a high pressure single pressing unit, or easily converted for pre-pressing in conjunction with a solvent extraction plant.

Called the Mark 5, the press can process all oilseeds, but its increased load carrying capacity makes it particularly suitable for coping with the excessively high loads and pressures involved in pressing hard fibrous seeds such as copra and palmkernel to produce cakes very low in residual oils.

Capacity is up to 70 tonnes each 24 hours when the machine is on high pressure single pressing duty, and up to 140 tonnes in 24 hours when it is being used as a pre-press—the specific capacity being dependent upon the seed type and the amount of residual oil in the cake.

Dough moulding machine

TAKING AS a basis the ideal method of moulding dough used by traditional bakers, a machine has been designed in which this mode has been automated in what is described as a particularly ingenious manner by its Danish makar Machinefabriek op't Root BV, Postbus 4405, 6086 ZG, Neer, Netherlands.

After the rising process, the balls of dough are rolled out between three rollers to form an evenly shaped slab of dough with an adjustable length. The length of the dough at this stage in the moulding process determines the final length of the moulded piece of dough.

When the dough has been rolled out lengthwise, it is then rolled out twice more widthwise by a conveyor mechanism placed at right angles and then moulded by the machine's folding mechanism. This whole process is claimed by the manufacturer to produce bread with a perfect structure.

● METALWORKING

Improves casting yield

INCREASED metal casting yields and reduced energy costs are the main benefits claimed to result from the use of a new design of feeder sleeve now being produced by Foundry Services (Foseco Minsep Group).

The sleeve which is a device to maintain the temperature of the casting metal and to compensate for shrinkage losses (leading to defects in the casting) is stated to be manufactured from "super efficient" insulating materials which, in conjunction with a precision location system designed specifically for use with automatic moulding machines, provide a highly cost effective means of maintaining optimum feeder metal temperatures.

The method of positioning the feeder sleeves is such that they can be directly mounted on to the pattern to form an integral part of the mould during the mould making process. As an alternative Foseco has designed highly accurate sleeve patterns which can be bolted on to the pattern plate prior to mould making. The sleeves are then inserted into the mould after the mould has been produced.

Full technical details can be obtain from Foundry Services at Tamworth, Staffs. (Tamworth 4141).

An electronic circuit card is installed by a Hughes Aircraft Company technician on the receiver unit of the thermal imaging system (TIS) that enables crews of the U.S. Army's new XM-1 main battle tank to "see" through darkness, smoke or haze. The TIS produces an image by sensing the small differences in infra-red heat radiated by objects in view and converting the detected energy into electrical signals which are displayed on a cathode ray tube.

● DATA PROCESSING

Electronic draughting

INTEREST HAS focused anew on screen based computer aided draughting systems as a result of the recent CAD 80 exhibition in Brighton. Such systems have had a more ready acceptance in electronic circuit design than in the more traditional areas but now the situation seems to be changing a little.

For example, after an uncertain start in 1977 the RUCAPS draughting and scheduling system from GWM Computers has moved from zero sales in 1978 to five systems in 1979, and two have been sold so far this year. This particular facility is aimed very much at architects. It allows a building to be modelled at full size in the computer memory and this can be brought up on the screen to any scale and plotted.

Within memory can be kept general details about all buildings, graphical descriptions of components to be used (windows, doors, etc.), so that the latter can be placed within the former and assembled on the screen. Associated schedules, with or without costs can be produced. GMW Computers is at Lower Kings Road, Berkhamsted, Herts.

From Applied Research of Cambridge comes news of GDS — general draughting system —which is applicable to mechanical engineering, architecture / construction and to cartography. It provides high accuracy in the rapid creation of drawings and through a powerful editing facility allows them to be modified instantly. The company says that a drawing office with about 20 designers or draughtsmen can afford a system which would include the computer, one or more graphics workstations, a plotter to make drawings on paper and a printing terminal.

A particular merit claimed for GDS is its ability to place new graphic material on top of old on the screen by giving only approximate positional data—the machine makes the precision placing. Applied Research is at 4 Jesus Lane, Cambridge CB5 8BA (0223 65015).

A new offering by Applicon uses a pair of processors, a PDP 11/34 for input/output processing and the company's own 32 bit machine for displaying drawing and command input processing, together with a 200 megabyte disc for the graphics data base and software.

User devices are the Applicon 21 inch high contrast black and white video terminal, a 19 inch storage display terminal, Calcomp drum plotter, 34 x 44 inch digitising table and a Tektronix hard copier.

The company describes the system as "the most advanced in the world" allowing concurrent operation of two and three dimensional graphics and on-line program development. The 3-D operating system can display any of the six principal orthographic views and various projections including isometric, three point perspective and stereo views. A zoom feature permits true 3-D windowing with clipping of three dimensions.

Applicon United Kingdom is at Heaton Lane, Stockport, Cheshire SK4 1DA (061 429 7227).

● HAND TOOLS

Electric drill

AN ELECTRIC hammer drill capable of drilling a full ½ inch diameter hole in steel, ⅝ inch in masonry and 1 inch in wood, has been introduced by Black and Decker.

Called the 400H it has a ½ inch chuck and 400 watt motor with a gearbox which enables the drill to operate at either 2400 or 900 rpm.

● POLLUTION

Sweeps up oil from the sea

FOLLOWING successful trials carried out in the North Sea, Biggs Wall Fabricators of Arlesey, Beds., is to undertake the manufacture and marketing of the Springsweep system of oil collection in association with Trelleborg of Sweden, which manufactures the floating boom.

Springsweep is a mechanical method of retrieving oil and oil/water emulsion from the sea under offshore conditions. It is a single ship operation and is based on an idea originally conceived by the Department of Industry at Warren Spring Laboratory. It is designed for mounting on small ships, coastal tankers and similar vessels which have suitable storage capacity of at least 1,000 cubic metres for the collected oil.

The equipment comprises a base and "A" frame, a jib some 16m long, a floating boom, a diesel driven vacuum unit and suction hopper. In operation the jib is deployed at right angles to the ship's side; this jib acting as a spreader beam from which the floating boom is towed alongside the ship.

Oil is swept into the boom by the forward movement of the vessel and is collected in a shaped pocket at the rear of the boom. From here the oil is transferred to the ship's tanks via a floating suction head and the vacuum unit, coarse debris being screened out in the vacuum hopper.

IN BRIEF

● A tiny accelerometer with built-in pre-amplifier covering the frequency range 1.5 Hz to 25 kHz at a nominal sensitivity of 2 mV/g has been introduced by Data Acquisition, Higher Hillgate, Stockport, Cheshire SK1 3QD (061 477 3888). It is only 0.31 ins in diameter and 0.38 ins high and weighs under 2 gms.

● Sensing Devices of Southport, Merseyside (0704 36162) has a new range of platinum resistance detectors of fundamental interval 50.7 ohms. Called D130, they can operate between −220 and +800 degs C and consist of platinum spirals held in multiple bores in a high purity alumina rod.

● Kent Industrial Measurements has a new pH meter with straight line linear scale which will fit the standard DIN cut-out of 186 x 92 mm. The linear scale motor driven indicator works over a scale length of 130 mm and various scales can be provided. Both 0 to 10 and 4 to 20 mA outputs are provided. More from Hanworth Lane, Chertsey, Surrey (09328 62671).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales valna (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
4th qtr.	110.3	103.1	109	101.7	132.3	1,340	230
1979							
1st qtr.	110.2	102.8	98	100.7	134.0	1,351	234
2nd qtr.	114.9	107.1	106	106.2	144.8	1,299	256
3rd qtr.	113.3	103.2	99	99.5	144.6	1,269	247
4th qtr.	113.1	104.1	106	101.7	151.9	1,286	230
Oct.	112.1	102.8	101	100.8	149.1	1,282	237
Nov.	114.6	105.8	114	102.5	153.2	1,282	234
Dec.	112.5	103.8	103	101.7	153.1	1,294	219
1980							
Jan.	112.2	102.9		102.8	155.1	1,339	207
Feb.				104.0		1,414	181
March						1,414	181

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.2	124.0	96.9	99.5	102.2	20.3
1979							
1st qtr.	106.0	99.3	127.2	98.9	99.6	100.1	12.9
2nd qtr.	108.8	103.0	132.8	102.7	108.2	103.1	21.3
3rd qtr.	105.6	95.9	132.7	94.9	105.4	100.6	21.0
4th qtr.	105.1	101.2	130.1	99.4	99.2	96.2	18.1
Sept.	104.0	92.0	131.0	90.0	106.0	102.0	22.2
Oct.	104.0	98.0	130.0	96.0	190.0	97.0	20.5
Nov.	107.0	103.0	132.0	101.0	101.0	98.0	19.2
Dec.	105.0	103.0	128.0	101.0	97.0	93.0	14.6
1980							
Jan.	107.0	103.0	127.0	102.0	61.0	98.0	13.1

EXTERNAL TRADE—Indices of export and import voluma (1975=100); visible halance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import voluma	Visible balance	Current halance	Oil halance	Terms trade	Resv. US$bn*
1978							
4th qtr.	122.5	112.9	−206	+534	−458	106.5	15.77
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−310	−229	106.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	− 88	102.6	22.72
1980							
Jan.	129.9	128.3	−321	−271	− 74	100.9	23.71
Feb.	136.8	129.1	−226	−176	− 52	100.6	23.93
March							26.96

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	19.5	10.2	13.2	+2,409	933	1,878	14
4th qtr.	5.1	12.6	16.2	+2,891	839	1,954	17
Nov.	6.5	13.3	19.1	+1,094	134	698	17
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
Jan.	− 8.1	8.7	22.6	+ 792	235	671	17
Feb.	− 6.4	10.0	20.7	+ 495	199		17
March							17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.1	187.5	183.4	239.4	239.9	295.13	69.7
1980							
Jan.	162.6	193.4	188.5	245.3	244.8	308.69	71.4
Feb.		197.2	191.1	248.8	246.7	304.27	73.2
March						284.47	72.6

* Not seasonally adjusted.

هكذا من الأصل

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

In the medium term, prospects for ITV franchise holders are distinctly rosy

Profits lift-off forecast for ITV

A BRITISH TELEVISION franchise may no longer be a licence to print money, but it remains the next best thing.

Despite cries of woe from the advertising world, which expects a sharp downturn in business from the second quarter of this year, the fact remains that in the medium term, the ITV franchise holders will almost certainly reap some very handsome profits, whatever the start-up costs of Channel 4.

As Vickers da Costa says in a review of the TV contractors published this week: "Current dividends should be able to be at least maintained until around 1983-84, when considerably improved payouts should be possible. The combination of high yield, highly valued assets and medium term prospects of high profitability is attractive set against the outlook for manufacturing industry."

According ot da Costa, the distortions stemming from last autumn's ITV strike, and the sharp revenue recovery in the first quarter of the current year, mean that the long-term ITV revenue cycle, instead of botoming in 1980, did so in 1979. The immediate outlook is for a recovery to around £470m in net TV advertising revenue for 1980—a 35 per cent gain on 1979's depressed total.

Coca-Cola has announced what it calls its biggest attack on the UK soft drinks market, a £2.75m advertising campaign via McCann-Erickson. This is an increase of 40 per cent on last year's budget. Of the total, around £2.25m will be spent on ITV, which according to forecasts by Vickers da Costa, can expect a take-off in profits by around the end of 1983.

TELEVISION ADVERTISING BY PRODUCT GROUP

	1975	1976	1977	1978	1979
Consumables	61.9%	60.3%	57.2%	55.3%	54.1%
Durables	15.8%	17.5%	19.1%	19.5%	20.9%
Services	6.4%	6.2%	6.1%	7.5%	7.8%
Retail	7.3%	7.5%	8.2%	7.2%	7.2%
Industrial	1.5%	1.9%	2.4%	2.1%	1.4%
Financial	1.7%	1.8%	2.4%	2.5%	2.8%
Government	2.3%	2.0%	1.9%	2.5%	2.7%
Other	3.1%	2.8%	2.7%	3.4%	3.1%
Total Net Advertising Revenue	£177m	£231m	£300m	£363m	£347m

Practical

True, concern has been expressed in recent weeks about the extent of the proposed increases in IBA rentals from January 1, 1982, as well as the cost of launching Channel 4. But as da Costa sees it, the larger part of the IBA rental increase will be used to finance the engineering and start-up costs of Channel 4, while the channel 4 subscriptions themselves will be very largely for the purchase or commissioning of programmes, a large proportion of which seem likely to come from the ITV companies anyway.

"The essentially practical approach of both IBA and Home Office impresses us," says da Costa, "and leads to the conclusion that (Channel 4) will be required to pay for itself, tailoring the programme expenditure to fit achievable levels of revenue."

First, the new contracts which will run from January 1, 1982, for eight years. The consensus view is that the five network companies — Thames, London Weekend, ATV, Granada and Yorkshire — are safe from challenge. The main problem for a new company or consortium attempting to muscle in will lie in convincing the IBA that a fresh approach is financially viable. Neither the IBA nor Home Office is keen to hatch a lame duck, particularly as the start of the new licence period will coincide with a year of increased programme requirement to meet the debut of Channel 4 at the end of 1982.

But suppose for a moment that one of the licences did change hands. In that event, the new licence holder would have little alternative but to buy the existing studios and equipment of the departing franchisee.

The da Costa review contains an energetic discussion of Channel 4, although it points out that all estimates of likely revenues and costs are still conjectural.

In terms of revenue, da Costa estimates that, but for the 11-week closedown last autumn, 1979 would have produced a net advertising revenue gain of between 12 and 15 per cent, for a total of around £412m. One would have expected 1980 to be a year of very small growth, says da Costa, probably showing no more than an overall 5 to 10 per cent increase in net advertising revenue, producing a 1980 total of around £443m. However, the overspill from last autumn could add a further £25m to £30m, for a total of around £470m—an increase of 35 per cent on the actual figure last year.

In terms of profits, da Costa has made a series of forecasts covering the first half of the 1980s. For instance, according to its figures, the likely combined gross profit (before Exchequer levy) of all ITV companies in the current year will be £86m, against an estimated £116m last year, and a forecast £118m in 1981.

Running costs

For the purposes of the forecast, IBA rentals are assumed to rise in line with inflation, while the levy is assumed to remain constant at 66.7 per cent of leviable profits. The impact of start-up and running costs on Channel 4 shows clearly in da Costa's estimates of combined pre-tax profits, for all ITV companies and after payment of levy, which could total £45m in 1981, £33m in each of the next two years, £61m in 1984 and £79m in 1985.

"A television franchise is a good cash flow producer," says the review, "and this, allied to diversifications already made by even the 'purer' companies such as London Weekend and Trident, could help to bridge the gap between now and the profit take-off in 1983-84."

Finally, da Costa examines the position of each of the major quoted TV companies:

● ATV (Associated Communications Corp.): Relief over the decision not to hive off the East Midlands into a separate regional company is tempered with the likely cost of having to establish a new studio facility under the area's new dual region status. Possible cost: *£3m*. The full force of last autumn's stoppage will fall in the year to March 31, 1980, for which year da Costa estimates the ATV television result at £4.5m (£6.3m) within an overall group pre-tax profit of £17.5m. For the current year, to March 31, 1981, the television result should recover to around £6.25m out of a group total of around £20m.

Recovery

● *Granada*: Television profits at Granada, says da Costa, should recover to around £7m-£7.5m in the current period, and perhaps to £8.5m in 1980-81. "In 1981, when durable expenditure could be recovering, the extension of (Granada's) very successful new product business (video, teletext, etc.) should produce a renewed thrust to group profits. We look for group pre-tax of £44m for 1979-80, moving to around £50m in 1980-81."

● London Weekend Television: da Costa says it is looking for a total group pre-tax result of £5.1m for 1979-80, moving to £6.75m the following year, the latter including £1m from Pope and Mny and £500,000 from Hutchinson, the publisher. According to da Costa, LWT's extra 1½ hours of broadcasting on Friday evenings from the start of 1982 could be worth as much as £4m in revenue over a full year, assuming an average of 25 30-second spots.

● Thames: "The huge increase in programme costs at Thames in 1978-79 had already brought the pre-tax profit down (to £6.3m from £8.6m) and the 11-week loss of revenue appears likely to have reduced the current year's profit to around £4.9m, despite an above averagedly successful overseas sales campaign."

● Anglia: Seems as well placed as any to move quickly into the market for Channel 4 programming, and this could tap a useful source of fresh revenue in the mid-1980's. Anglia's TV profit, says da Costa, could recover to £3.7m in 1979-80, levelling to £3.3m in 1980-81.

● Trident: The two franchises held by Trident—Tyne-Tees and Yorkshire—are again being offered separately, but Trident can and will bid to retain both. The TV interests produced £5.2m in profit in 1979; da Costa expects an advance to £7m in 1979-80 and to £8m in 1980-81.

Gordon Procter still searching for lifeline

THE GORDON PROCTER agency is still frantically seeking a lifeline following the collapse of the Dunbee-Combex-Marx toy group. Procter's, which handled Pedigree Toys, has been left with a potential loss of more than £250,000, although it is negotiating with the Dunbee receiver.

For the past week it has had talks with a score or more rival agencies, with a view to merger or take-over. Two of the companies with whom it had preliminary talks, Ogilvy Benson and Mather and the Lopex Group, said yesterday that the talks had come to nothing.

Toy accounts are notoriously difficult, and debt insurance premia in the sector inevitably costly. Even so, the scale of Procter's potential losses has caused amazement among rival agencies.

An announcement is expected immediately after Easter.

Kevin Keegan, the England soccer star, has signed a three-year contract with Fabergé to promote Brut 33, the brand leader in the UK men's toiletries market. Sales of Brut in Britain last year were worth approximately £15m at RSP. Mr. Keegan (right) joins Henry Cooper, the former boxing champion, in a £500,000 television and poster campaign starting on June 1.

● WHITE'S RECRUITMENT is to handle the £600,000 account of the Employment Services Division of the Manpower Services Commission. The account was formerly at McCann-Erickson, which resigned it shortly before the Central Office of Information was due to introduce its "cost-plus" scheme of agency remuneration.

● DATSUN UK has sent a strongly-worded letter of complaint to the Advertising Standards Authority in protest at what it calls a "deliberately misleading" advertisement for the cut-price BL Marina. The advertisement states that following a 10 per cent price cut, the new price for the Marina 1700 means it is "less expensive" than the 1400-cc Datsun Violet.

According to Datsun: "We have complained to the Advertising Standards Authority that Austin-Morris are deliberately misleading the public with this statement because they are comparing cars with totally different specifications.

"The 1700 Marina is such a basic car that it does not even have cloth upholstery or a cigarette lighter, let alone the very comprehensive equipment of the Violet."

The Datsun spokesman claimed that if BL wished to make comparisons, it should draw them between the 1300 HL Marina and the 1400 Violet. Datsun claims BL did not do so "because they would lose out. Even after their price cut, the 1300 HL is more expensive than the Violet, and still does not include things like push-button radio, wash/wipe, and so on."

● A. C. NIELSEN'S consolidated results for 1979, covering its market research and other business information systems in 23 countries, show that sales last year were 23 per cent higher at $398m. Net earnings were 7.5 per cent better at $26m ($2.38 per share). Main contributors to the sales results were market research, including gains from two new subsidiaries, Compumark and Co-ordinated Management Systems, $246m; media research, $40m; coupon redemption, $43.5m, and petroleum information services, $37.3m.

● WEDGWOOD, the ceramics maker, clearly believes in advertising. It has just launched a new series of Press ads created by the Network Italia agency of Milan which will appear in national consumer magazines. The company's founder, Josiah I, born 250 years ago, advertised regularly in The St. James's Chronicle as early as 1768.

LOMBARD

How to support the D-mark

BY DAVID MARSH

"UNOBTRUSIVE financing with no strings attached, particularly through the Euromarkets, has enabled many countries to run higher deficits for longer periods than are compatible with the increased cost of imported oil and the need to prevent deflationary consequences."

That pronouncement of sound economic orthodoxy appeared in last year's annual report of the West German Bundesbank—published only 12 months ago, at a time when the Germans could still afford to worry about the probity of other countries' deficit financing.

It is a fair assumption that the view of the world contained in this year's annual report now on its way to the printers will be somewhat more flexible. For by a supreme statistical irony, April, 1979, was the last month for which Germany still ran a current account surplus—and the Bundesbank, like the Bank of England and the Federal Reserve before it, has discovered that running continuous monthly deficits concentrates the mind wonderfully.

Join club

For years, German central bankers and politicians were preoccupied with the task of holding down the strength of their currency, and prim reminders to other countries about the need for financial rectitude came fairly easily.

Now the boot has been placed firmly on the other foot. Faced with an estimated current account deficit for this year of about DM 20bn, falling reserves and a Deutsche Mark in decline, attention in Bonn and Frankfurt has switched very sharply to the need to join the foreign borrowers' club.

Last month's placement of several billion D-marks of Government bonds with Saudi Arabia was certainly "unobtrusive"—the details of the financing have not yet been made public.

And if German officials mean what they say about the need to avoid a further run-down of the country's monetary reserves (now standing at about DM 80bn —although their gold content is still of course grotesquely under-valued), the Saudi deal will be just the first in a series of such operations.

All this is certainly not to argue that Germany, by ignoring its own prescription and failing to deflate sufficiently to restore a balanced current account, is wrong.

It would be economic lunacy for the Federal Republic to slam on the fiscal and monetary brakes, or cut its citizens' holiday spending on the Costa del Sol, simply as a means of putting the balance of payments back into the black.

On a global scale, the shouldering by Germany and Japan of a disproportionate share of the industrialised world's oil-related deficit this year represents a remarkably sensible way of apportioning the joint burdens.

The D-Mark's rapid fall from grace into the casualty section of the foreign exchange market, and the Bundesbank's dramatic acquisition of a "deficit psychology," do however illustrate the pitfalls awaiting central bankers prescribing dogmatic solutions to other people's problems.

Back in 1978, when the D-Mark was riding high and the dollar struggling under the weight of the U.S. current account deficit, the Bundesbank was not averse to calling upon the Americans to take active steps to finance the shortfall by floating foreign currency bonds abroad.

The reverse

It was then argued that this would put a stop to the manner in which the U.S. deficit was involuntarily financed via purchases of Treasury bills by the central banks which had intervened to support the dollar.

Today, the reverse is happening: D-Marks purchased by the Fed are automatically placed back into Germany in special short term paper issued by the Bonn finance ministry.

So the Bundesbank should at least be considering heeding a piece of its sound advice handed out two years ago. If, in the interests both of the domestic and the world economy, Germany—at least for the time being—wants to "finance" rather than "adjust" its deficit it should go beyond trying to borrow abroad purely in D-Marks. It should raise a large dollar credit on the international markets in order directly to bolster its flagging reserves.

The case for an international law school

THE SIZE of projects undertaken by individual companies or consortia has expanded enormously over the past few decades, and with them also the importance and intricacy of disputes to which such contracts can lead. The resolving of such disputes is even more difficult if, as is often the case when ships are built or turnkey factories supplied, the contract is between parties carrying on business in different countries; and the difficulty assumes an altogether new dimension when the dispute is between a state and a private company.

Arbitration is the preferred method for the settling of such disputes, but the development of its procedures and the training of arbitrators has not quite kept pace with the increasing demands. There are simply not enough arbitrators capable of undertaking such tasks.

In a judgment *handed down on February 29, Mr. Justice Mustill, said: "A new breed of dispute is now being submitted to arbitration. Large sums of money are involved: the issues concern technical questions of great complexity; the costs are enormous; the proceedings are very long, with hearings extending over scores and sometimes hundreds of days; and the arbitration is made particularly difficult to handle by the virtual impossibility of arriving at any accurate forecast of how long the proceedings will last."

This led to a situation, said the judge, when the best arbitrators had so many calls on their time that they were unable to undertake new continuous sittings of long duration. The problem was world-wide.

"This type of dispute," continued the judge, "posed new problems because the remedies and principles developed by statutes and by the common law . . . may need adaptation to suit the changed circumstances."

The dispute which prompted these observations concerned two tankers constructed by Harland and Wolff. The owners complained that the vessels did not satisfy the contract specifications, and arbitration concerning the first, Hull 1704, has already taken 120 sitting days with costs exceeding £1m. Another 100 days of sitting may yet come, and since the arbitrators are not available to sit continuously the award is not expected before 1981.

While this arbitration was in progress the parties decided to start a similar arbitration in respect of the sister vessel, Hull 1705. At first they agreed that the same arbitrators should also deal with this second case, but later on the owners wanted to replace one of the already overtaxed arbitrators, hoping that this would speed up the proceedings. The judge refused to interfere and remove the arbitrators. He was not convinced that the replacement would, in fact, speed things up.

The scarcity of properly skilled arbitrators is even greater when it comes to disputes over contracts spanning two or more countries, and their resolution has to overcome the rivalry of multiple legal systems. In such cases international arbitration is a dynamic process which bridges legal systems and leads to the development of a new branch of international law. It exercises on the less developed legal systems a powerful influence not dissimilar from the impact which Roman law had on the legal systems of continental Europe.

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

The emergence of a new body of law derived from international contracts and the obvious shortage of lawyers skilled in this new branch of law, has led Dr. J. Gillis Wetter, one of the leading international arbitrators, to formulate proposals for the establishment of international law schools and for the strengthening of the international legal profession. It is hoped that Dr. Wetter, who is the author of a basic compendium on international arbitration** will have an opportunity to explain these proposals in detail at a lecture at The British Institute of International and Comparative Law in London.

The need for a radical new departure in the training of international arbitrators is pressing and no time should be lost in considering Dr. Wetter's proposals.

Shortage of arbitrators is, in Dr. Wetter's view, a result of the situation where the body of rules derived from international contracts is not properly recognised as an object of analytical study and research. In order to result in enforceable awards every arbitration must be linked to a national legal system. But it also has a life of its own and modifies the concepts derived from territorially confined national law.

The truly international aspects become even more evident when one of the parties is a State—as was the case in the recent series of disputes between Libya and the oil majors in which Dr. Wetter played a prominent part.

Dr. Wetter concludes from this that the international legal profession which has already developed in response to these new needs should be further expanded and that its working methods should be improved. He envisages international law schools as post-graduate institutions providing one-year courses and following the teaching methods of the national American law school deriving general principles from a dialectical analysis of cases.

Why should thre be a need for additional in depth study and training of international arbitration? After all, arbitration has been practised as a preferred method of settling business disputes for many centuries, and London has a proud history of this activity. Emphasis has always been on experts familiar with the practice of a particular trade, and the great majority of London arbitrators are not lawyers though it should be said that they have acquired, through long practice, great legal knowledge and skills. But lawyers have their place in London arbitrations and are often called in to act as umpires when two arbitrators, each appointed by one of the parties in the dispute, cannot agree.

In addition to preparing lawyers for the special problems set by disputes between a State and a private company, an international law school could help to overcome the present compartmentalisation of international contract law according to different trades. Arbitrators deal mostly with disputes arising out of standard contracts developed only for one particular trade, or industry.

A schooling embracing the experience gained in different types of contracts in different fields could lead to harmonisation of contracts and to their improvement. This, in turn, would not only facilitate the work of arbitrators and judges but could also prevent numerous disputes or, at least, reduce the time and cost necessary for their resolution.

Nor should one forget that the settlement of international commercial disputes is always more a problem of equity than of law, and international law schools could greatly contribute to the uniformity of approach when determining what is fair and reasonable. Such schools could well do for the new types of industrial and financial contracts what the Commercial Court in London has done for the insurance, marine and commodity contracts law, when reviewing arbitral awards.

Because of the wealth of experience already present, London is a suitable place for such an international law school, and it needs it in order to retain its status as the great arbitration centre.

* *High Court, London, re Arbitration between Succula and Pomona Shipping Company v. Harland and Wolff, February 19, 1980, unreported.*

** *J. Gillis Wetter, The International Arbitral Process, 5 Vols. 1979 Oceana Publications, Inc., New York.*

Nureyev and Firyal on trial

RACING

BY DOMINIC WIGAN

FRANCOIS BOUTIN has confirmed that he intends saddling both his Guineas hopes, Nureyev and Firyal, at Maisons-Laffitte on Tuesday. The once-raced Northern Dancer bay, Nureyev, will try to maintain his clean sheet in the Prix Djebel; while Firyal, whose sole 1979 success came on the first of her four appearances, goes for the Prix Impudence.

Nureyev, now displaced as 2,000 Guineas market leader by Monteverdi, for whom heavy support on Tuesday originated, in the main, from Ireland, should have a reasonably simple task. However, Firyal, whose personal rather than official birthday falls tomorrow, seems likely to have her work cut out unless the ground dries considerably in the next four days.

At present Nureyev is a top-priced 9-2 chance for the 2,000 Guineas while Firyal is available at 16-1 for the Fillies Classic.

On the subject of the 1,000 Guineas, there are extremely favourable reports circulating in Berkshire concerning the recent progress thought to have been made by the Dick Hern filly, Restful. A well-made daughter of Ribero, Restful almost recovered some 15 lengths, lost due to interference, when going down by a neck to Millingdale Lillie on her racecourse debut at Haydock in July.

Not seen out since that race, Restful has been coupled in a substantial 1,000 Guineas-Derby double with another inmate of West Ilsley, Henbit.

Turning to today's somewhat uninspiring sport, Southwell offers that highly accomplished rider, Miss Lucy King, the prospect of a double through Clonmellon and Daygo. The first-named, who goes for the extended three miles of the James Seely Memorial Hunters Chase, has not won under National Hunt rules since beating Hill Point at Fakenham last May. Nevertheless he remains a smart hunter chaser and can underline the point by taking advantage of the 7 lb he receives from Grittar.

A 5 lb penalty should not prevent Daygo from brushing aside solitary opponent Riberby in the Balderton Chase.

SOUTHWELL

2.15—Bowsbot
2.45—Getting Warmer*
3.15—Clonmellon**
3.45—Plastic Cup
4.15—Daygo***
4.45—Twilight Wave

TV Radio

† Indicates programme in black and white

BBC 1

9.55 am Ludwig. 10.00 Jackanory. 10.15 Tarzan. 10.35 Brown Wolf. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Mister Benn. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Popeye cartoon. 4.40 Graham's Gang. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide.
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Lennie and Jerry.
8.30 James Burke.
9.00 News.
9.25 Play for Today.
10.45 Question Time.
11.45 News.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 10.45-11.15 Glas Y Dorlan. 11.15 News.

Scotland—12.40-12.45 pm News. 5.55-6.20 Reporting Scotland. 10.45-11.15 Current Account. 11.15-12.05 am Windhover: Film about Gerard Manley Hopkins. 12.05 News.

Northern Ireland—3.53-3.55 pm News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek. 11.45-11.49 News. 11.49-12.14 am Tomorrow's World. 12.14 News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
4.20 pm Film: "Alexander the Great."
6.30 The Getaways: Dressage.
7.00 News.
7.10 Outside a City Wall.
7.20 Europe's Time Bomb: Problems of the new "coolies."
8.40 In the Making.
9.00 A Question of Guilt.
9.30 Man Alive: Dyslexia.
10.20 15th Cambridge Folk Festival.
10.45 Newsnight.
11.30 Work and Leisure.

LONDON

9.30 am Schools programmes. 10.00 Cartoon. 10.15 Heritage. 11.05 The Mackenzie Affair. 11.55 The Bubblies. 12.00 Topper's Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News and Financial Times index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 Birmingham International Show-Jumping Championships, 1980. 3.45 Looks Familiar. 4.15 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.20 Crossroads.
6.45 The Mask of Alexander Cross.
8.00 Armchair Thriller.
8.30 Black Abbots.
9.00 Best Sellers "A Man Called Intrepid."
10.00 News.
10.30 Best Sellers.
11.15 Birmingham Show-Jumping.
12.15 What the Papers Say.
12.30 Encounter at Easter.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.30 The Sound Of . . . 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Movin' On. 12.15 Hymn for Maundy Thursday.

ATV

12.30 pm Gardening. 1.20 News. 4.15 Windows. 4.20 Fangface. 4.50 Salvage—1. 6.00 ATV Today. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Armchair Thriller. 8.00 Spooner's Patch. 12.15 News.

BORDER

1.20 pm Border News. 2.00 Houseparty. 2.30 The Sound of . . . Joe Henderson. 2.45 Birmingham International Show-Jumping Championship. 1980. 4.15 Thursday Matinee: "The Clairvoyant." 6.00 Lookaround. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 George and Mildred. 12.15 Soap. 12.45 News.

CHANNEL

1.20 pm Channel News. 4.15 Puffin's Birthday Greetings. 4.18 Little House on the Prairie. 6.00 Report. 6.35 Crossroads. 7.00 Target the Impossible. 7.30 What's on Next. 10.28 Channel News. 10.32 Best Sellers. 12.15 Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 pm North News. 4.15 Unaccustomed As I Am . . . 6.00 North Tonight. 6.35 Crossroads. 7.00 Charlie's Angels. 12.15 Reflections. 12.20 Headlines.

GRANADA

1.30 pm Granada Reports. 3.45 Amazing World of Kreskin. 4.15 Salvage 1. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.05 Kick-Off Easter Special. 6.30 Emmerdale Farm. 7.00 Charlie's Angels.

HTV

1.20 pm Report West Headlines. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 12.15 am Hymn for Easter: Bristol Cathedral Choir.

HTV Cymru/Wales—As HTV West/HTV General Service except: 12.00 pm Flalabalam. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Sêr. 5.15 Cartoon. 6.00 Y Dydd. 6.15 Report Wales. 6.30 Sports.

SCOTTISH

1.20 pm News and road and weather. 4.15 Unaccustomed As I Am. 5.15 Alastair. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 7.00 Take the High Road. 7.30 Thingummyjig.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.30 Magilla Gorilla. 4.15 Project UFO. 5.10 Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.00 Scene South East. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Black Abbots. 8.30 People Rule! 12.15 am News.

TYNE TEES

1.20 pm North East News and Lookaround. 4.15 Lost Islands. 4.45 Life and Times of Grizzly Adams. 6.00 North East Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 Leave it to Charlie. 12.15 North East News.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 5.15 The Bubblies. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 Leave it to Charlie. 10.29 Ulster Weather. 12.15 Healing the Wounds.

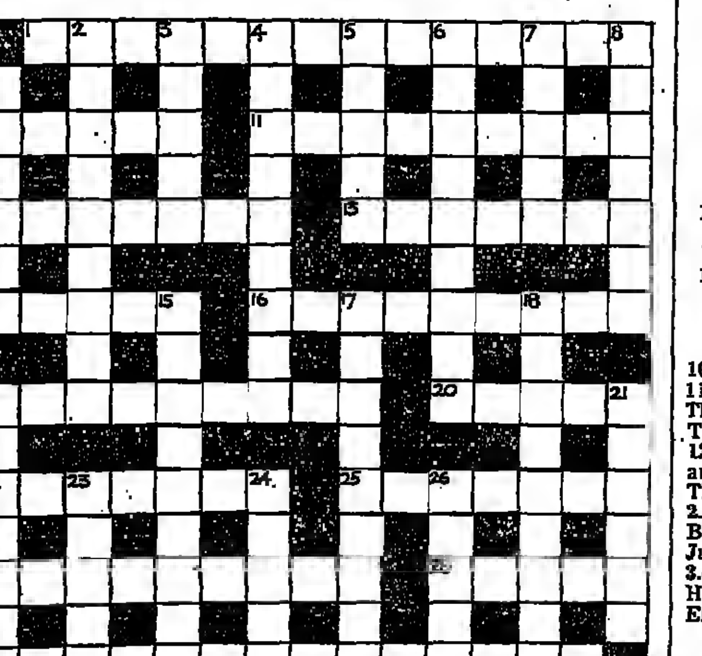
WESTWARD

1.20 pm Westward headlines. 4.15 Gus Honeybun's Birthdays. 4.18 Little House on the Prairie. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Westward Report. 7.30 What's on Next. 10.28 News.

YORKSHIRE

1.20 pm Calendar News. 4.15 Woody Woodpecker. 4.45 Salvage—1. 6.00 Calendar. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Leave it to Charlie. 12.15 Superstar Profile: Film director Steven Spielberg.

F.T. CROSSWORD PUZZLE No. 4,242



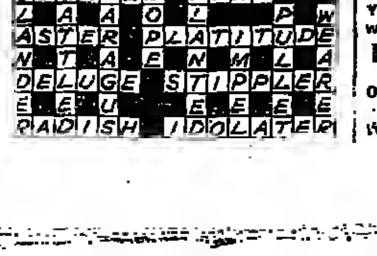
ACROSS

1 Break the speed of inspiration? (9-5)
10 Sat with nought in sporting contest (5)
11 Censuring salesman wandering about (9)
12 Evil omen left on ship around ten (7)
13 Narrator trice upset before word of hesitation (7)
14 Animal for expedition leader to catch (5)
16 Can't article, followed by ill-humour, be easy and flowing? (9)
19 Illumination in the sky at night as seen on television (9)
20 Cosmetic preparation obtained from heathen nation (5)
22 Beginners with no faults (7)
25 Strove for higher things to put notice around steeple (7)
27 Crime also may become lugubrious (9)
28 I'm not to be converted into Athenian misanthrope (5)
29 Bound dull hair and it's put on bed (6-8)

DOWN

2 Bird blushing over inner feelings (9)
3 Love a party with soldiers (5)
4 Unorthodox recital he possibly gives (9)
5 Electrical unit used in one performance (5)
6 Laggard not ready to train (4-5)
7 Magistrate is partially to charge with a public burden (5)
8 Eat too much and go green unnaturally (7)
9 Three times as much left in rubbish (6)
15 Guidance given in address (9)
17 Report a chap, one dealing in papers (9)
18 Dunce, amusing or otherwise (9)
19 Ring to abolish you and me (7)
21 Study in craft that's burning (6)
23 Cleric with six on vehicle (5)
24 Sergeant Major going around hill to assault (5)
26 Saint who gets less if out (5)

SOLUTION TO PUZZLE NO. 4,241



Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡Medium Wave

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Peter Powell including 12.30 pm Newsbeat. 2.00 Andy Peebles. 4.31 Kid Jensen including 5.30 Newsbeat. 6.00 New Album Chart. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News. 5.03 Ray Moore (S) including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S) including 1.45 Sports. 2.03 Ed Stewart's Request Show (S) including 2.45, 3.45 Sports. 4.03 Much More Music (S) including 4.45 Sports. 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S) including 5.45 Sports. 6.03 John Dunn (S) including 6.45 Sports. 8.02 Country Club (S). 9.02 Alan Dell (S) Big Band Sound. 9.55 Sports. 10.02 Windsor Davies Presents. 10.30 Star Sound Extra. 11.02 Sports. 11.05 Brian Matthew with Round Midnight, including 12.00 am News. 2.00-5.00 You and the Night and the Music (S) with Sheila Tracy.

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Hindemith (S). 10.00 Syntagma Musicum of Amsterdam (S). 10.35 Interval Reading. 10.40 Concert, part 2. 11.20 Music for Cello and Piano (S). 12.15 pm Manchester Camerata Concert (S). 1.00 News. 1.05 Concert part 2 (S). 1.45 Piano Recital (S). 2.10 Haydn, Mendelssohn concert (S). 3.00 Stockholm Philharmonic Brass Ensemble Concert (S). 3.50 Fauré, Finzi and Brahms Concert (S). 4.55 News. 5.00 Mainly for Pleasure with Michael Berkeley (S). 7.00 Talking About Music: Antony Hopkins (S). 7.30 The Great Prayer: P. J. Kavanagh. 7.50 Finzi (S). 8.00 Image of God: English Mystery Plays (S). 9.45 First Broadcasts of Britten Concert (S). 10.16 Book, Music and Lyrics (S). 11.00 Building a Library of records (S). 11.55-12.00 News.

RADIO 4

6.00 am News. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Quote . . . Unquote (S). 9.30 Living World. 10.00 News. 10.50 Canterbury Pilgrimage. 10.20 Queen distributes Royal Maundy, Worcester Cathedral (S). 11.30 Enterprise. 12.00 pm News. 12.02 You and Yours. 12.27 The Jason Explanation (S). 12.55 Weather; programme news. 1.00 World at One. 1.40 Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre. 4.15 Any Answers? 4.45 Short Story. 5.00 News. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1980 (S). 7.00 News. 7.05 Archers. 7.20 Time for Verse. 7.30 Bach's St John Passion, Part 1 (S). 8.15 John Betjeman describes the Victorian Church of St Mark's, Swindon. 8.35 St John Passion (S). 9.56 Weather. 10.00 World Tonight: News. 11.00 Book at Bedtime. 11.15 Financial World Tonight. 11.30 Today in Parliament. 12.00 am News; weather report: forecast. 12.15-12.23 Shipping forecast: inshore forecast.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour including 8.15 Blackboard. 10.03 The Tony Fish Telephone Programme, including 11.00 Natural History. 1.30 pm London Live. 3.03 John Toogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 8.00-5.00 am Join Radio 2.

London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 Brian Hayes with guest Melvyn Bragg. 12.00 Max Miller. 2.00 pm Sue Jameson. 4.00 Max Miller. 6.00 John Perkins. 9.00 After Eight. 8.00 Mike Dickin: Nightline, with guest Keith Simpson, criminal pathologist, talking about his autobiography. 12.00 am LBC Reports Midnight. 1.00 Night Extra.

Capital Radio

6.00 am Graham Dene with Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Lord George-Brown's Commentary (S). 7.40 Adrian Love's Open Line (S). 9.00 Nicky Horne's "Your Mother Wouldn't Like It" (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Night Flight (S).

GOOD FRIDAY'S PROGRAMMES

†Indicates programme in black and white

BBC 1

9.55 am Ludwig. 10.00 Jackanory. 10.15 Tarzan. 10.40 Book Fair. 11.00 Good Friday Morning, from Christ Church, Oxford. 12.00 pm Royal Forest. 12.50 News. 1.05 Camberwick Green. 1.20 Children's programme. 2.15 Film: "Born Free." 3.50 Play School. 4.15 Roobarb. 4.20 Jackanory. 4.35 Blue Peter Special: Story of St Thérèse of Lisieux.

5.20 News.
5.35 Cartoon.
5.45 Wonderful World of Disney: "Nosey, the Sweetest Skunk in the West."
6.35 Robert Brothers Easter Circus.
7.35 Film: "The Land That Time Forgot."
9.05 Butterflies.
9.35 News.
9.45 Eddie Capra.
10.35 Olivet to Calvary.
11.40 Film: "Love Among the Ruins."

All Regional programmes as BBC 1 except as follows:—

BBC Cymru/Wales—10.15-10.40 am Tren Sgrech. 1.05-1.20 pm Pili Pala. 6.35-6.50 Wales Today. 6.50-7.05 Heddiw. 7.05-7.35 Pobol Y Cwm.

Scotland—5.35-5.45 pm Scottish News.

Northern Ireland — 5.35-5.45 pm Northern Ireland News. 1.25 am News.

England—5.35-5.45 pm Regional News (except London and South East); Cartoon (London and South East only).

BBC 2

11.00 am Play School.
4.15 pm Film: "King of Kings."
6.50 Gardeners' World, Dyffryn House, Cardiff.
7.15 News.
7.25 Outside a City Wall.
7.35 Captain Beaky's World of Words and Music.
8.20 Vikings.
8.50 Pot Black 80.
9.35 A Different Drummer: Story of poet Jack Clemo.
10.35 Film: "Marnie."
12.40 am The Outer Limits.

BBC 2 Northern Ireland—11.25-12.45 pm Transmitters Closedown. 12.45-1.15 Benson and Hedges Circuit of Ireland. 1.15-4.15 Transmitters Closedown.

LONDON

9.30 am The Shadow. 10.00 A Handful of Songs. 10.10 Once Upon a Time. 10.25 Film: "Knights of the Round Table." 12.30 pm 1980. The Cross: "A Meditation for Good Friday—Archbishop of Canterbury. 1.00 News. 1.05 Gossamer Albatross. 2.00 Birmingham International Show-Jumping Championship, 1980. 3.00 Film: "The Shoes of the Fisherman."

5.45 News.
6.00 Easter Star Games.
7.00 Muppet Show.
7.30 Bruce Forsyth's Big Night.
9.00 Birmingham International Show-Jumping Championships, 1980.
10.00 Fully Licensed for Singing and Dancing.
10.30 News.
10.45 Cardiff Festival of Choirs: Mozart Requiem Mass.
11.50 Encounter at Easter.

All IBA Regions as London except at the following times:—

ANGLIA

11.45 am Fantasy Island. 12.40 pm A Hymn for Good Friday: Cantores Conducti sing "O Sacred Head Surrounded."

ATV

6.30 am Elba. 10.00 A Handful of Songs. 10.10 Once Upon a Time. 10.25 Sandokan. 10.50 Film: "Thief of Baghdad." 11.45 pm England, Home and Beauty: Good and bad taste according to pundits of the 1930s.

BORDER

9.30am A World Worth Keeping. 10.00 A Handful of Songs.

CHANNEL

11.45 pm Police Surgeon.

GRAMPIAN

9.25 am First Thing. 9.30 World Worth Keeping. 10.25 Tarzan. 11.25 Easter Star Games. 12.25 pm North News. 6.00 North Tonight. 6.35 Sportscall. 10.45 Reflections. 10.50 Points North. 11.50 Cardiff's Festival of Choirs: Mozart Requiem Mass. 12.50 am North Headline.

GRANADA

9.30 am Cartoon. 10.25 A Look at Life. 10.35 Film: "Count of Monte Cristo." 11.45 pm Film: "Footsteps in the Fog."

HTV

9.30 am Bailey's Bird. 10.25† Film: "The Pure Hell of St. Trinian's." 12.00 Muppet Show. 7.00 pm Emmerdale Farm. 11.45 Vegas. 12.40 am A Hymn for Easter: Bristol Cathedral Choir.

HTV Cymru/Wales—As HTV West/HTV General Service except: 9.55-10.10 am Mister Clai. 10.30-10.45 pm News followed by Report Wales Headlines.

SCOTTISH

9.30 am Wandering Dunes. 9.45 By the Way. 10.25 Sesame Street. 11.25 Easter Star Games. 12.25 pm News, Road, Weather. 6.00 Scotland Today. 6.30 Emmerdale Farm. 10.00 Soap. 10.45 Ways and Means. 11.15 Cardiff Festival of Choirs: Mozart Requiem Mass. 12.15 am Late Call.

SOUTHERN

9.30 am Untamed World. 10.25† Film: "Count of Monte Cristo." 11.45 pm Soap.

TYNE TEES

9.25 am The Good Word. 9.30 Wildlife Cinema. 10.25 Cartoon. 10.35† "Count of Monte Cristo." 11.45 pm Film: "Rachel, Rachel." 1.15 am Epilogue.

ULSTER

10.25 am Film: "Quartet." 2.58 pm Ulster News Headline. 6.00 Ulster Weather. 11.45 Sportscast. 12.15 am Healing the Wounds.

WESTWARD

9.30 am Untamed World. 12.25 pm Gus Honeybun's Birthdays. 11.45 Police Surgeon. 12.10 am Faith for Life. 12.15 West Country Weather and shipping forecast.

YORKSHIRE

9.30 am Spiderman. 11.45 pm Fantasy Island.

RADIO 1

(S) Stereophonic broadcast.
‡ Medium wave.

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Peter Powell including 12.30 pm Newsbeat. 2.00 Andy Peebles. 4.31 Kid Jensen. 5.30 Newsbeat. 5.45 Roundtable. 7.30 Anne Nightingale. 9.50 Newsbeat. 10.00 Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News. 5.03 Ray Moore (S) including 6.15 Pause for Thought. 8.03 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 8.03 Top Five Albums. 10.03 Ed Stewart's Request Show (S). 11.03 On the Hill with Fr Brian D'Arcy. 11.55 The Choice is Yours. 12.03 pm David Hamilton (S) including 1.45, 2.45 Sports. 3.03 Much More Music (S) including 3.45, 4.45 Sports. 6.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 6.30 John Dunn (S) including 5.45, 6.45 Sports. 8.02 Victor Sylvester Jr (S) at the Radio 2 Ballroom. 8.45 Friday Night is Music Night (S). 9.55 Sports. 10.02 Marks in His Diary. 10.30 The Organist Entertains. 11.02 Sports. 11.05 Brian Matthew with Round Midnight, including 12.00 News. Weather, motoring. 2.02-5.00 am You and the Night and the Music (S) with Geoff Sennett.

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S) Concert. 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Hindemith (S). 10.00 Plainchant (S). Westminster Cathedral Choir. 10.30 Martin Jones (S), piano recital. 11.15 Scottish National Orchestra (S), Concert. 11.55 Interval Reading. 12.05 pm Concert, part 2. 1.00 News. 1.05 Schubert, Wolf (S), Concert. 2.00 Haydn (S), "The Seven Last Words of Our Saviour on the Cross." 3.00 Jorge Bolet (S), piano recital, including 3.30-3.40 In Short. 4.30 "Eugene Onegin" by Pushkin and Prokofiev (S) including 5.55-6.05 Interval Reading. 7.00 The Great Prayer. 7.25 Play it Again (S). 7.30 Worcester Festival Chorus (S). Concert. 8.05 Poetry Now, reading. 8.25 Worcester Festival (S), part 2. 8.30 The Vision of Piers the Ploughman (S). 10.00 Benjamin Britten: The Early Years (S). 11.00 Schubert (S). Trio in E flat. 11.55-12.00 am News.

RADIO 4

6.00 News. 6.10 Elgar (S) on records. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 8.59 Continental travel information. 9.00 News. 9.05 Desert Island Discs. 9.45 Down the Garden Path. 10.00 Litany and Ante-Communion (S), Temple Church, London. 10.45 Canterbury Pilgrimage (S). 11.00 News. 11.05 A Country of Villages (S): Sri Lanka. 11.50 Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather, programme news. 1.00 World at One. 1.40 Archers. 1.55 Shipping Forecast. 2.00 The Last Hour (S). 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.10 It's Either Oxford or Cambridge, portrait of John Snagg. 4.40 Preview. 4.45 Short Story. 5.00 PM News Magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope: The Island of Glass, Glastonbury. 9.59 Weather. 10.00 News. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 Easter Vigil. 11.45 Epilogue. 12.00 News, weather. 12.15-12.23 am Shipping Forecast. Inshore Forecast.

BBC Radio London

5.00 am: As Radio 2. 6.00 News, weather, travel. 6.03 Good Friday, music, information. 10.03 Tony Fish Telephone Programme, including 11.00 Sports. 1.03 pm John McGinn, music. 5.30 St. Matthew Passion: Bach's choral masterpiece in its original form. 8.30-5.00 am Join Radio 2.

Capital Radio

2.00 am John Sachs's Night Flight (S). 3.10 Alternatives, arts programme. 4.40 Lord George-Brown's Commentary. 6.00 Breakfast Show with Kerry Juby (S). 6.00 Graham Dene (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S): The "Story of the Sixties." 7.00 London Today (S). 7.30 Headline Debate—"Who Needs Religion?" (S). 9.00 Nicky Horne's "Mummy's Weekly" (S). 11.00 Mike Allen's Late Show (S). 2.00 am John Sachs's Night Flight (S).

London Broadcasting

5.00 am Music. 7.00 AM with Bob Holness and Douglas Cameron. 10.00 A Way of Life. 11.00 A Way of Life: Phone-In. 12.00 Alan Clark. 1.00 pm St. John Passion. 3.00 There Ingrams talks to Barry Rose, Choirmaster, St. Paul's Cathedral Choir. 4.00 Laurence Selcer: Easter. 4.45 Sports. 5.00 Self-Help. 6.00 Alan King. 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports. 3.00 am Decision Makers.

THE ARTS

Salzburg Easter Festival by MAX LOPPERT

Two performances of a new production of *Parsifal*, a week apart and separated by three twice-given Berlin Philharmonic concerts: this is the scheme of the 1980 Salzburg Easter Festival, which ends next Monday. The return of Herbert von Karajan to Wagner's last opera after more than a decade—his conducting of the opera at Vienna in the sixties still inspires grateful talk among Karajan devotees—was prophesied as a summation, and possibly a revelation; in some quarters it has already been greeted as a miracle. Though it seemed to me rather less than that, last Sunday's performance will linger long in the mind for sounds and sights of unexampled splendour.

Karajan as conductor and Karajan as producer work together. This is a phenomenon of which the by-products of his big Salzburg stagings, the records and the films, with their jarring and often distasteful alterations of recorded perspective, allow scant appreciation. Nowhere else in the opera world today do money, rehearsal time, and a determining artistic personality conspire so single-mindedly in a single cause: at its peak this performance explained, even if it could not justify, the grounds for Karajan-worship.

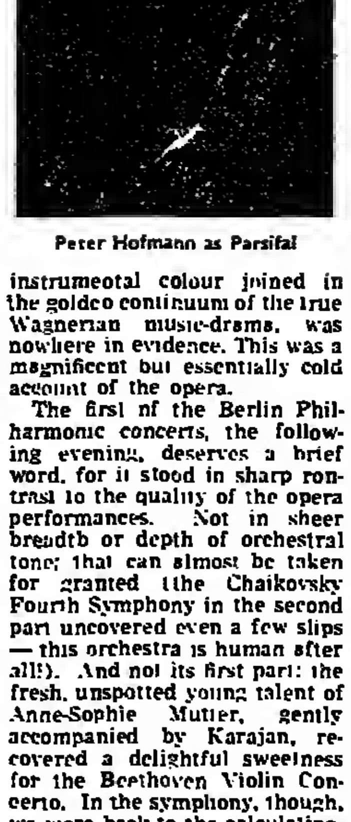
The transformation of Act 1 was for me the peak of the performance. Gunther Schneider-Siemssen's forest, a muted, dappled fusion of curtaining, gauze and subtly precise lighting, at once naturalistic and impressionistically suggestive, began slowly to dissolve and to reform across the enormous arc of the Festspielhaus stage. As layer upon layer of visual texture was manipulated and reworked, so a similar process was heard in the orchestra—instrumental and then vocal choirs each adding a carefully chosen new timbre, the blending unfailingly true, the dynamics exactly chosen and, by the Berlin Philharmonic, immaculately sustained. This was, one felt, the *Parsifal* that Bruckner must have heard with his eyes shut, visibly and audibly recreated—and, insofar as Bruckner offers one of the most profound and most grateful approaches to the opera, it was commensurately rewarding.

Karajan's *Parsifal* was, however, vast and spectacularly conceived, a straightforward staging of the music drama—neither Wieland-type subtilisations of inner meaning nor Bayreuth tamperings of a more recent date, but an accessible and mostly faithful recreation of the libretto. Not entirely faithful: the familiar substitution of a ballet troupe (in Erich Walter's Copacabana-type dance routines) for the bevy of flower maidens twining both vocally and physically around Parsifal is always a disappointment—even if the voices are as enticing (sopranos of the calibre of Janet Perry and Barbara Hendricks among them) and as seductively gathered as these were, they will inevitably be heard to emanate from beyond the stage image. The flower garden was a rather conventional slide-on-cyclorama affair; and the third-act transformation, which Wagner intended as a mirror image of the first, found Karajan and his designer at an unexpected loss—a drop-curtain simply closed off one scene and opened another.

The matter of the whole proving less than the sum of its parts is rather more difficult to discuss. One cause was undoubtedly the orchestral and vocal balance. The peculiar Salzburg sight of the orchestra, individual faces lit up from the music stands, intervening between the audience and a never very brightly illuminated cast of characters, has already been described in numerous reviews on this page. What was harder to accept was the distanced effect of the solo voices. These were of the predominantly unheroic calibre Karajan has always chosen for Wagner, with the difference that the chivalrous chamber-music balance in which they have in the past been accommodated had disappeared, and at any level above *mezzo-forte* they were apt to be swallowed up entirety. Not only the relatively light-voiced Parsifal of Peter Hofmann (who manages well enough at Covent Garden, not to mention Bayreuth), Kundry of Dunja Vejzovic and Amfortas of José van Dam, but the ample and normally limitless organ of Kurt Moll as Gurnemanz regularly and repeatedly went under in the flood. For some things, it seems, Bayreuth remains the only *Parsifal* theatre; but it was surprising, and even disconcerting, that Karajan had shown so little concern to establish a clear Salzburg alternative.

With this went the feeling of dramatic distancing, the sense that all the characters, even Kundry (surely the single most potent product of Wagner's dramatic imagination), were being experienced undramatically. How I long to see a *Parsifal* as keenly and specifically lit as the stage directions allow; and played as "real" personages, not as stage postures or symbolic effusions! Hofmann's still promising Parsifal (though his musical instincts seem to me commonplace rather than especially vivid) and the striking, totally angular East European Kundry urgently need *bringing forward*, not throwing back: Van Dam's purely sung Amfortas made almost no mark; even Moll afforded a less immediate stage presence than usual. Only the Klingsor, lip-smackingly uttered, of Gottfried Hornik, cut across the distance.

With this, too, went the impression, strongest in Act 3, of musical direction intent on placing each sound as a distinct (if vocally not always distinguishable) element in an expertly composed, marvellously coloured sound picture. The noble glow of Goodall's 1971 Covent Garden *Parsifal*, in which words, vocal tone, and instrumental colour joined in the golden continuum of the true Wagnerian music-drama, was nowhere in evidence. This was a magnificent but essentially cold account of the opera.



Peter Hofmann as Parsifal

The first of the Berlin Philharmonic concerts, the following evening, deserves a brief word, for it stood in sharp contrast to the quality of the opera performances. Not in sheer breadth or depth of orchestral tone; that can almost be taken for granted (the Chaikovsky Fourth Symphony in the second part uncovered even a few slips—this orchestra is human after all!). And not its first part: the fresh, unspotted young talent of Anne-Sophie Mutter, gently accompanied by Karajan, recovered a delightful sweetness for the Beethoven Violin Concerto. In the symphony, though, we were back to the calculating, very superior Karajan vulgarity of too many Festival Hall appearances.

The orchestra, swollen to an immense size (quadruple wind, 10 double basses), was unleashed like a supra-efficient war machine. Brass motifs became military exhortations. The strings hit the melodies with the punch of a massive fist in the glove of finest leather. No dance, no flash, no *movement* in the waltz rhythms. With the Finale complete conquest came into view, and the audience screamed its approval (a very different sound from the ludicrous pious shushing which had met outbreaks of applause at the end of the first act of *Parsifal*). For at least one visitor to the Easter Festival, the Karajan enigma remains unresolved.

The Other Place, Stratford-upon-Avon

The Shadow of a Gunman

In the centenary year of Sean O'Casey's birth, it will be a sad thing, if the celebrations do not delve deeper than the Dublin plays. The Royal Shakespeare Company is offering two from that early period. Juno and the Paycock follows later this year, and any complaints of unadventurousness will be killed stone dead if that production proved half as effective and memorable as Michael Bogdanov's of this little masterpiece which opened the RSC's small scale Stratford season on Tuesday night.

Chris Dyer's Dublin tenament is a skeletal framework surrounded by violent inky blotches on the floor and back wall. This is a brilliant design commentary on the change the poet, Donal Davoren, is to undergo. Rooming with the wisely despairing Seamus Shields, Donal is wrenched from his musing mountain top to fare political reality in the form of a Black and Tan raid on the area. Eschewing any connection with the political events of the day, his love for Minnie Powell is expressed in the adoption of a jauntily-ambiguous air at the idea of being mistaken for an IRA gunman. In the first act, Mr. Bogdanov's characteristic showiness is confined to Donal's closing narcissistic pose as the shadow of a gunman in a black hat worn at a rakish angle.

Up to this point the characters are given full naturalistic rein the main double act delightfully worked up to the accompaniment of gossipy intrusions from the doomed Maguire, the impressionable Tommy Owens who is dying to die and the couple who arrive with a request for Donal to bring down his IRA chums to sort out some noisy neighbours.

Cutting across this is the news of the ambush at Knocksaden. The rumbling gathers force after the interval with Mr. Bogdanov surrounding the auditorium with much clatter and sinister lighting. Not since Buzz Goodbody slammed the doors on her beleaguered Elsinore has this space been used to such claustrophobic advantage. There is a magnificent eruption by Paul Webster as the drunken Orangeman before young Minnie makes off with Maguire's bombs leaving Donal and Seumus to worry it out in the chaotic room.

The partners in cowardice are played superbly by Michael Pennington and Norman Rodway. Mr. Pennington, warming up for Hamlet later this season, makes you care about Donal's poetry as well as his real agony at the end. Even then, the O'Casey spirit is honoured by Mr. Rodway getting the right laugh with: "I knew things would go wrong when I missed Mass this morning." Even the repetitiveness of his character's utterances are turned to gold.

Above all, the play stands up as sadly and as hilariously appropriate for the Ireland of today as for the Ireland of 1920. It is a truly caring play, in that it both celebrates and criticises the Dublin character. The English theatre could not have got off to a better start in its tribute to one of the century's great dramatists.

MICHAEL COVENEY

Bristol Hippodrome

Day into Night by CLEMENT CRISP

Michael Corder's *Rhyme nor Reason* was made two years ago for a Royal Ballet workshop performance when he was a member of the Covent Garden company. An exceptionally accomplished piece, it was taken into the repertory of Sadler's Wells Theatre Ballet, which Corder joined after a year in Holland, and where he is now a dancer and one of the company's two resident choreographers — the other being David Bintley. (This present richness in talent gives SWTB a particular importance as the seed-bed for the creative future of the whole Royal Ballet; it will, I hope, inhibit the further acquisition of the sort of choreographic shoddy that has latterly caused me to doubt the company's integrity.)

Corder has just made his first ballet specifically for SWTB. It is set to Martinu's ebullient sinfonietta "La Jolla," which is bright with Californian sunshine. There is a slightly arbitrary argument—the effect of sun and moon on the earth—as theme for what amount to plotless and youthfully engaging dances. It fails to make any sort of sense in the third movement of the sinfonietta, and, even after some editing following the ballet's first performance last week, this is the weakest section of the piece, with Corder seeming torn between trying to prove his thematic point and respond to the music. This is where inexperience shows: everywhere else, *Day into Night* is the work of a surely gifted and secure talent. Corder is a classical choreographer, and I hope that flags are being put out in Covent Garden to salute the fact. He knows how to put steps together—an ability not all that common in the ballet world; he gives a bright polish to the basic vocabulary of the academic dance—we see this in the buoyant first movement of this new work, as Sherilyn Kennedy and Carl Myers, Susan Crow, Susan Lucas, Mark Welford and Stuart Becket, bounce and sparkle; he enhances his dancers—as we see in the double duet which is the ballet's middle movement, wherein two couples impersonate the light and dark aspects of the moon, repeating, reflecting and complementing each other's movements.

Stylistically, Corder shows the influences of Ashton and Macmillan: it could not be otherwise. But there is an individual voice clearly to be heard. There is nothing apologetic about Corder's choreography, no insidiously mimsy English lyricism to soften the edges of the dance or the dancers. Instead, a natural elegance—Corder's quality as a performer—a strong dynamic pulse, and the power to give stylish twists to the grammar of academism and make one say not just "How clever," but also "How lovely."

Neither of these comments, alas, can be made of the design for *Day into Night*. There is a good deal too much of a "Come Dancing" air to the costumes in matter of glitter and colour, and the earthy shades for the final movement lower the emotional temperature of the dances. Balanchinian practice dress would be preferable; better still would be to use a good couturier.

ICA

Merrie Prankes by B. A. YOUNG

In spite of its ghastly title, I recommend this strongly, but with the warning that you need someone to mark your card before you go in.

You must know, for instance, that it runs for two hours and a half, with only a four-minute interval (during which cucumber sandwiches are served). Moreover, it is a "promenade production," in other words, you either stand up or sit on a little cushion, provided at the entrance, in any available space. You may have to move from your space to another; I had to move three times and ended up standing. Finally, I should say that the humour is directed at people involved in the theatre and may not be equally accessible to all.

What is so good, then, that I recommend so much toleration? Well, *Merrie Prankes* is a series of five theatrical send-ups, written by Martin Duncan and David Ultz, who are both actors. Martin Duncan is also a composer; David Ultz a designer, and they aren't amateurs in any of these fields. Each of them has a creditable record, and their writing, composing and designing in this show is clearly the work of experts.

The first item is a compound of *Hamlet* and *Hedda Gabler*, meant, says the programme, to emphasise what the two plays have in common. To me, I'm afraid, it said nothing about either play, and the complex production, involving among other things three girls like cygnets astray from *Swan Lake* who play single parts together, suggests that the evening is going to be clever-clever, which it's not.

Dream Sequence, that follows, watches dancers in rehearsal, their choreographer (Alain Dehay, choreographer in fact as well as fiction) silently making notes as they go through their several modes of dance. The dancers are Primula Cotton, Deborah Findlay, Rosamond Attwood and Malcolm Green, and they know very well what they're doing. This restores the tone.

Then come hits at Chekhov and Brecht, separated by a presentation of *La Dame aux camelias* in three television versions, the words provided by a handy actor, Sean Mathias (he's the one that hands round the sandwiches). I didn't care much for this; the screens give too remote a picture. But the Chekhov is the best thing of the evening.

It is played on a small revolving stage crammed with furniture and turned by a hand at a windlass alongside. Basically we are at *Three Sisters*, though we slide off into other references now and then. I thought it hilarious; but even better, the mockery it makes of Chekhov's characters is mockery based on familiarity and affection.

There is less affection in the Brecht, *Mutter Gans und ihre Gänschen*, which crosses *Mother Courage* with a pantomime about a woman with three children who buys a goose that lays a golden egg; but once more, it is expertly done. Even the songs have the true Berliner Ensemble sound.

The company is quite small, but they must have spent a packet on this show. Besides the dancers to whom I have already paid tribute, there is fine work by Darlene Johnson (whom I saw as late as last Saturday being a Greek): she plays Hamlet-Hedda, and Nancy in the Chekhov when Rosamund Attwood does not, in which case she plays Marcia—the roles are much the same. Yvonne D'Alpra is very funny as the nurse, sitting aloft in the middle of the sitting-room; and the male parts of the evening (with some of the female) are shared between Philip Sayer, Robert Ilckson and Rhys McConnachie.

Sadler's Wells

The Bartered Bride by MAX LOPPERT

Dalibor figures in repertory of the English National Opera; in the last decade student and "fringe" productions have brought London *The Kiss* and *The Two Widows*; and yet the last Covent Garden revival of Smetana's most famous and popular opera was an absurdly long time ago. So there was ample justification for the Scottish Opera presentation, in this week's short season at the Wells, of its 1978 production (in tandem with Thea Musgrave's *Mary Queen of Scots*). The fact that the Scottish *Bride* proves so vivacious and colourful a creature only makes the opera's absence from the scene retrospectively stranger and the impact of the work itself the more radiant and delightful.

The producer is David Pountney, making amends, through the infectious vigour of his stage routines, the touches of sharp but seldom too insistent detail in the characterisation, the happy bursts of high spirits, for the *Don Giovanni* that so badly stained his and the company's honour during the previous Scottish visit, last November. Though its wellsprings of feeling, both private and national, remove the work from the domain of the tight comedy, it will not do to "interpret" *The Bartered Bride* according to the familiar methods of our day, the methods of the Ponnelles or the Friedrichs; the strong but simple lines of the plot would not support any such "meaningful investigation for our time."

Mr. Pountney has understood that; and has preserved in clear movements the sense and the direction of the plot, while managing at the same time to etch a nice subsidiary line in social comment (the stations of the Krusina and Micha families neatly differentiated) and to infuse a more than usually exhilarating band of entertainers into the village scene. In the third act the feats of the juggler and the tightrope artist (Victor and Sylvia Ponce) threaten to submerge the musical interest, even temporarily to halt the play; that they do not is greatly to Mr. Pountney's credit.

And quite as much to the credit of Alexander Oliver, whose Vasek is one of the very best things this talented player has given us: his is a rounded study, a whole person, and we wait with interest for his every reaction, his every new development. No one else in a well-balanced company manifests quite this degree of individuality: but there is also much pleasure to be taken from the Marenka of Marie Slorach, whose voice, tipped with a suitable point of metal, is filling out interestingly, and whose face lights up with a sad but warming smile (Miss Slorach obviously has a future with Slavonic heroines); and from the Kecal, never gross or overplayed, of William McCue.

White Allen Cathcart presents a chubby, rather unromantic Jenik, his burly tenor appears to lie along Smetana's vocal lines a good deal more comfortably than it has in the past along Chaikovsky's or Verdi's. Among the smaller parts Donald Maxwell's Krusina and Peter Bodenham's Ringmaster are exceptional for striking and holding just the right note.

Under Albert Rosen's direction, the bustling scurrying string figures, shining woodwind, solo voice parts that develop into sudden, wonderful ensembles, and frank, robust choruses had on Tuesday not yet settled into an invincibly secure ensemble. (Moments of maladroit stage management also brought reminders of the company's unfamiliarity with a tricky stage.) Yet the musical accents are both just and authentic, and the whole performance greatly benefits. Further performances tomorrow and Saturday.

Elizabeth Hall

Cleveland Quartet

It was a pity the "Dissonance" quartet of Mozart K 465 had been chosen as opener on Tuesday night. For the distinguished members of the Cleveland Quartet were clearly according it little more than preamble status and offered a most undistinguished performance — short-breathed, harsh-textured and with hardly any dynamic shading at all. Not that there lacked evidence of an overall view of the work's architecture and even of its more fastidious tonal demands; but it was sufficiently attenuated for a listener unacquainted with this group to be astonished at what came next.

That was a passionately committed reading of the 18-year-old Mendelssohn's masterly A minor quartet op 13, unleashed with almost frightening energy. The players have meditated deeply on this remarkable distillation of Beethoven's op 132 quartet in the same key, and their interpretation leaves few doubts about its authentic quality: one of the most precocious achievements in all music, actually transcending the better-known (still earlier) Octet. As soon as the serene slow introduction was under way, as soon as we had reached the urgent rushing scales of the *allegro vivace* (more accurately, *tempestoso*), there remained no doubt about the Cleveland's profound virtuosity, their thrilling mental and physical rapport.

They made the fleet-footed *allegretto con moto* — Mendelssohn at his most sparklingly characteristic — the subtlest of evocations. Indeed the whole of the quartet was imbued with an intense pictorialism that stood in contrast to the classical works on either side of it, and reinforced a sense of strangeness in a programme where Mozart and Beethoven were being downgraded to favour the early Mendelssohn. The account of the slow movement, oddly designated *adagio non lento*, was weighted with emotion (and punctuated by expressive sighs from the leader) to the point of a slight embarrassment: here one *did* retain some reservation about the music's substance. But no one could mistake bold genius in the finale's exploitation of an *unaccompanied* violin recitative (previously there had been tremolandi on the other strings) at the very last moment of a complex unfolding. It was marvellously played by Donald Weilerstein.

The quartet managed to hold quite a lot in store for the "Rasumovsky" op. 59 no. 3 which made up the second half. They adjusted their ensemble and tone-production to suit the rigour, the relentless heavy tread, of this work with impressive insight.

PAUL DRIVER

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Thursday April 3 1980

Defence under strength

"DEFENCE in the 1980s," the first White Paper on defence to be published by the present Conservative Government, is significant in two ways. On the one hand, it fulfils the Manifesto commitment to increase defence spending in real terms, a commitment that has become more urgent since the Soviet invasion of Afghanistan. On the other hand, it gives a much fuller account of official defence thinking than we have recently been accustomed to. It discusses the problems as well as the policies and the aspirations.

Manpower

The problems are formidable. One has only to look at some of the more descriptive passages in the White Paper to see how far Britain's defences have been run down. The units of the British Army on the Rhine, for example, are under strength to a degree "which has necessitated the undermanning of some Chieftain tanks and the reduction of one company to cadre strength in many infantry battalions." Besides, some 3,000 men are deployed away from BAOR at any one time. "All this," says the White Paper, "has imposed a degree of overstretch . . . with adverse effects on training and readiness."

There are other instances. The Royal Navy has "substantial manpower problems." British air defence against the new generation of Warsaw Pact fighter-bombers scarcely exists and the Government is reduced to saying that "we must do what we can" to rectify the deficiencies. The loss of skilled manpower from all three Services has been enormous and "will take many years to replace." It is not only, as the White Paper admits, a question of pay.

Cash limits

It would be wrong to blame the present state of affairs entirely on the Labour Government. To be fair, Mr. Callaghan's administration had already accepted the NATO commitment to raise defence spending by 3 per cent a year in real terms. The root of the problem, for Conservative and Labour Governments alike, lies in the economy. Britain already spends an unusually large proportion of its gross domestic product on defence compared to its European allies. Indeed the White Paper shows that as a percentage of GDP British defence spending is now close to that of the U.S. At the same time, the British economy has long been in relative decline.

There are two questions to be asked. The first is whether a sustained increase of 3 per cent a year in defence spending is economically and politically supportable in the longer term. The second is whether even that is sufficient adequately to finance existing defence commitments. Mr. Francis Pym, the Defence Secretary, has chosen to answer both questions "yes" and appears to have won a major battle with the Treasury in the process. It seems that the Treasury will be ready to dip into the contingency reserve if this year's armed forces' pay award threatens to strain the cash limits, as it is almost certain to do.

This is a bold course, though one bound to be taken by an incoming Conservative Government. In the longer run, however, there must be doubts about the viability. Britain has more, and more extensive, commitments than any other European member of the alliance: not only the strategic nuclear force and the defence of the UK base, but also the defence of the Channel and Eastern Atlantic as well as the central region of the European continent. The White Paper is now suggesting new commitments outside the NATO area.

Too much?

No doubt that is a good example to set politically, both to the Americans and to the Europeans. Yet with existing forces undermanned and underequipped, there must also be questions about the money. It is notable, for instance, how many decisions on procurement are being deferred because they cannot be afforded this year. Will it be any better in 1981-1982?

The crucial point is that there needs to be yet more alliance consultation about who does what, or what the Germans have recently taken to calling the "division of labour." It may well be that Britain is still trying to do too much or, to put it the other way round, the others too little. That is a further reason why it is essential to settle Britain's other problems with Europe. It is time to move on to more talks about European defence.

Predicament of two Presidents

THE RELEASE of the 50 American hostages held by militant students in Tehran has, it seems, been brought no nearer by the flurry of secret communications between the U.S. Administration and President Abol-Hassan Bani-Sadr of Iran. Clearly, President Jimmy Carter had reasonable grounds for hoping that a formula had been found for removing the diplomats from their present captors to the custody of the Revolutionary Council. That, at least, would have been a step forward towards their repatriation and a basis for reconstituting U.S.-Iranian relations. For the second time within six weeks hopes of a partial solution have been dashed.

As with the failure of the five-man UN Commission on Iran, responsibility for the break-down of the latest initiative seems to lie primarily on the shoulders of Ayatollah Khomeini.

U.S. prestige

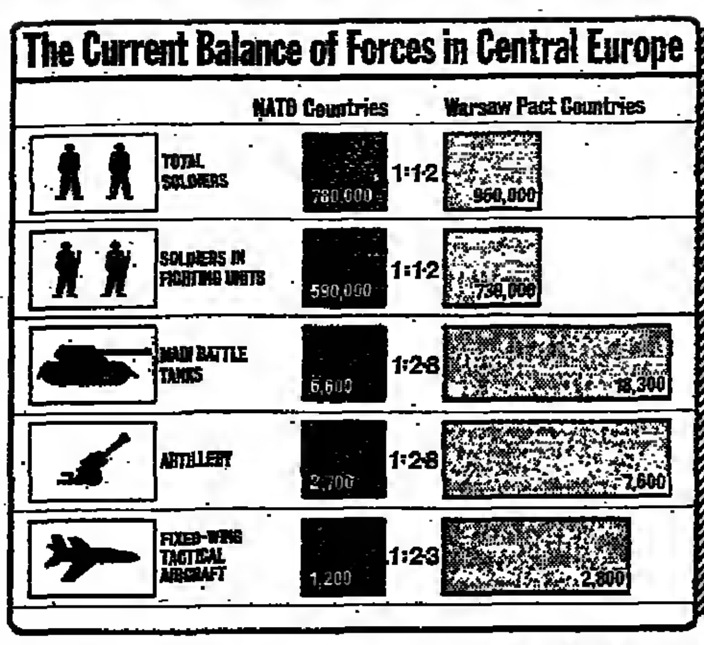
Contradictory accounts have been given about the authority, content and means of delivery of the exchanges between Washington and Tehran. Quite apart from Mr. Carter's electoral preoccupations and concern about U.S. prestige, the Administration may be forgiven for its evasiveness over the communications because of the complexity of the problem. Mr. Carter has felt it necessary to refute categorically suggestions that the Administration apologised "to anyone in the Government of Iran" for any aspect of past relations with the regime of the deposed Shah. More probably optimism about breaking the deadlock was due to the expectation that the threat of wider economic sanctions would be taken seriously in the light of the increasing diplomatic pressure by the Western allies of the U.S.

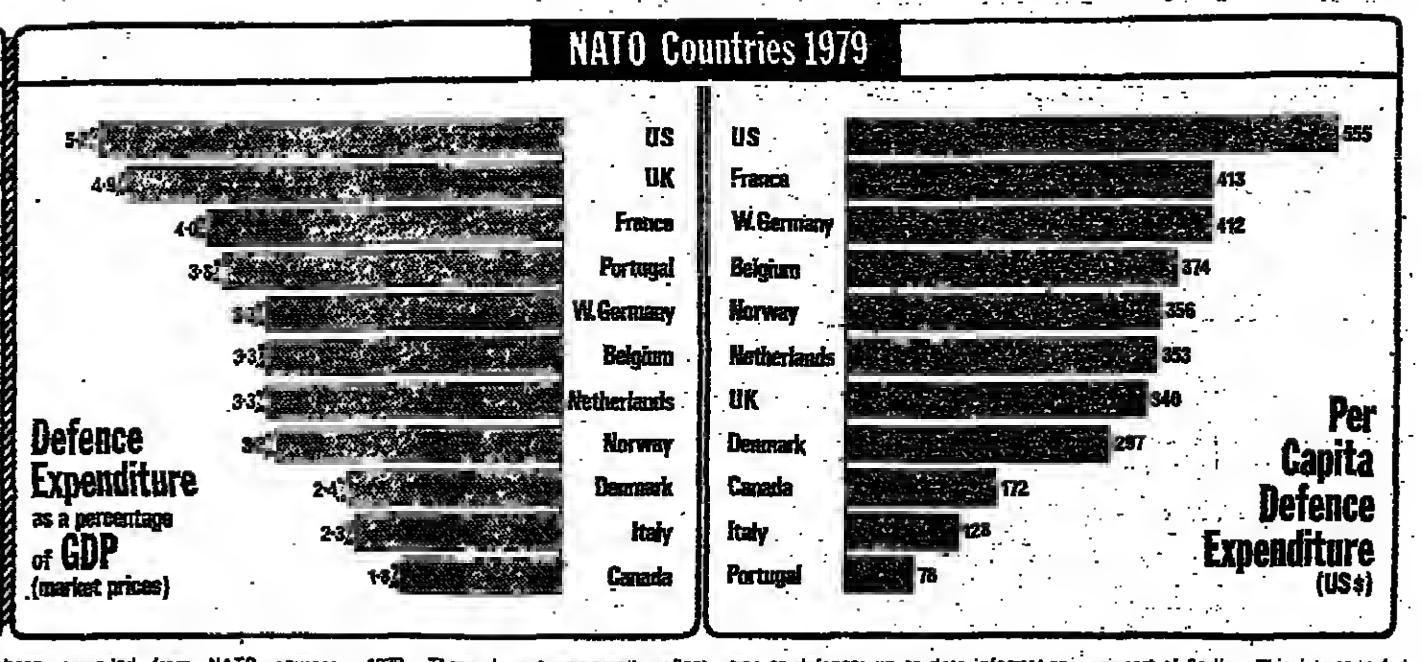
Mr. Bani-Sadr for his part said that the announcement postponing implementation of further economic sanctions was insufficient, implying that Mr. Carter had defaulted on other commitments but without making clear what, if any, those might have been. Given the difficulties and delicacy of negotiations between two States without diplomatic relations—one of them, Iran, without any identifiable decision-making machinery and the other, the U.S. with less than clear-cut processes—the possibility of a misunderstanding cannot be ruled out. It is more likely that Mr. Bani-Sadr, who wants to resolve the crisis as soon as possible, was unable to deliver his part of the bargain under whatever formula might have been agreed.

Ayatollah Khomeini's cryptically stated position remains as before: the fate of the hostages should be decided by the Iranian Majlis, or parliament now being elected. Following allegation of vote-rigging and the postponement of the second stage of the poll, the legislature is unlikely to be convened before June and may take many weeks to debate the issue—if only because it is a contentious one. Worse, the latest indications are that the Islamic Republican Party backed by Ayatollah Khomeini and the country's mullahs may obtain about two-thirds of the seats in the 270-man assembly. That contrasts with the 75 per cent of votes cast for Mr. Bani-Sadr in the presidential election and may be evidence in itself of electoral malpractices.

Reforms

Apart from the hapless hostages and Mr. Carter, the chief victim of the failure of the latest attempt to break the deadlock is Mr. Bani-Sadr who needs to press ahead with important economic reforms. Iran has survived the U.S. sanctions in force since last November and would not be brought to its knees by broadening them. Having postponed a decision to implement a more severe programme in return for some movement on the issue of the hostages, Mr. Carter has been left in a awkward position at a politically awkward time. He has no choice but to continue a policy of dogged diplomacy through third parties with the full backing of his allies. He must be careful to avoid anything liable to embarrass or undermine the essentially moderate Mr. Bani-Sadr. The latter commands the support of most politically articulate Iranians and continues to represent the best hope of restoring some political stability to Iran.





The figures for NATO include French forces in Germany, but exclude the Berlin garrison, which is not declared to NATO; the total of Warsaw Pact battle tanks includes some in training units and storage which would be available. In the right-hand illustrations, the figures are provisional and have been compiled from NATO sources. The expenditure per capita figures are based on average market exchange rates for the first eight months of 1979. These do not necessarily reflect the relative purchasing powers of currencies and so are not a complete guide to comparative resource allocation to defence; up to date information is not available for Greece and Turkey; Germany also incurs expenditure (in the region of $8,400m in 1979) in support of Berlin. This is not included in the figures since it falls outside the NATO definition of defence expenditure.

Music to defence planners

BY REGINALD DALE

THE Government wants, or says it wants, "an informed public debate about defence." It acknowledges that not everyone will necessarily be happy that more money is being devoted to defence at a time when public spending in virtually every other field is being cut back. Participants in such debates are not often swayed by the arguments of the other side. The Government, however, is confident that its case is good enough to win for the stronger defence effort "the full understanding of the community which it serves."

The case, as stated in today's lengthy Defence White Paper — the Thatcher Government's first — rests on two broad arguments. The first is that the undeniable military build-up by the Soviet Union and its Warsaw Pact allies poses a mounting threat to the security of Britain and its allies, a threat that looks even more menacing in the aftermath of Afghanistan. The second is the general proposition that before trying to improve and develop a society one should first take steps to ensure its survival.

Whether or not such thoughts will stir British domestic opinion, they are certain to be music to the ears of defence planners at the Brussels Headquarters of the North Atlantic Treaty Organisation and to all those in Washington who are currently urging the European allies to step up their defence efforts. Large sections of the White Paper could easily have been written by NATO officials. The commitment to the alliance and its strategies is total.

The 3.5 per cent increase in UK defence spending in real terms is above the 3 per cent annual increase the allies have set as their target, and the Government has undertaken to meet the target for three more years after 1980-81. The paper stresses the importance of the alliance's current long-term programme to improve its defences (LTDP), while seeking parallel new arms control negotiations with the Warsaw Pact. By underlining its support for the NATO strategies of flexible response and forward defence, the Government is both endorsing the alliance's view that a full range of nuclear options is necessary, in addition to conventional forces, and committing itself to maintaining a strong British military presence in West Germany. It confirms, in passing, that Britain will not seek a new offset agreement with Bonn to help cover hte Rhine Army's foreign exchange costs after the current (and final) agreement expires this year.

The White Paper makes much use of Afghanistan to underline the dangers of Soviet military strength: "It shows our opponents have both the power to make new territorial and strategic gains and the nerve to use that power." The lessons to be drawn are two-fold. At global level, the West must try to remove "the sources of regional instability which create opportunities for outside intervention," often not by military means but by aid, trade and diplomacy. But it must be clear that the West is prepared to use military force to protect its essential interests if necessary and that this task should not be left to the U.S. alone. Britain, too, is now considering how it could modestly expand its capabilities to send forces to trouble spots anywhere in the world.

In Europe, the danger is as much political as military. Moscow could use its military power "to diminish the freedom of action of the Western democracies" if NATO does not look to its laurels. That is a risk that is probably taken more seriously in Britain than on the Continent, but it is becoming more widely recognised in the alliance. Such fears were a major factor behind the NATO decision last December to instal a new generation of long-range "theatre" nuclear missiles in Western Europe, a field in which the Soviet Union has gained clear superiority.

The increase in Russian capabilities is not limited to the nuclear field. In addition to its traditional superiority in conventional forces (see table for the balance in Central Europe) the Warsaw Pact is now catching up the West in the quality of its equipment and the sophistication of its technology. Unlike NATO it also has a major capability for offensive chemical warfare. All these factors are particularly worrying to West Europeans, given the rough balance that Moscow has achieved between Soviet and American strategic nuclear weapons. The West obviously does not want to allow the Kremlin to gain the impression that, having neutralised the American strategic deterrent, it is freer to flex its muscles in Europe.

This, indeed, is the main argument the White Paper employs to justify the continuing need for a British strategic deterrent. It reveals nothing about the system that will soon be chosen to replace the Polaris submarine force when it becomes obsolete in the 1990s. But it stresses that "the presence of enormous destructive power in independent European hands" is an important insurance against a "misperception" by Moscow. A future Soviet leadership, it says, might wrongly believe that at some point in a future conflict the U.S. might waver in its determination to defend Europe with the full force of its nuclear arsenal.

That, however, is about all it has to say about the UK's future as a strategic nuclear power. There are many other arguments, both for and against replacing Polaris, that could be raised in an "informed debate about defence" — if it ever takes place.

Big benefits for major industries

BY MICHAEL DONNE, Aerospace Correspondent

A SUBSTANTIAL part of Britain's total defence budget for 1980-81 — about 41 per cent—is being devoted to equipment procurement. This is about the same proportion as in 1979-80, but in cash terms the figure is up from about £3.85bn to £4.75bn. Of this sum, research and development of all kinds are expected to account for close to £1.5bn, while production and repair will take nearly £3.26bn.

Spending on "sea systems"—that is, ships, submarines and their associated weapons and equipment — will amount to over £1.33bn; spending on "land systems" — armoured and other vehicles, guns, ammunition and associated equipment — will account for about £802.8m; while spending on "air systems" — aircraft, engines, and associated equipment—will take the biggest single share, at over £1.73bn.

The White Paper makes it clear that virtually every major industry enjoys substantial benefits from the defence programme. Although a detailed analysis for the coming year is not yet revealed, the statistics accompanying the White Paper contain a detailed breakdown of defence spending in 1978-79 which shows that in that year outlays in industry amounted to over £3.3bn, with many items sharing in the budget: food, solid fuels, petroleum products, chemicals, metals, ordnance, mechanical engineering, instrument engineering, radio, electronics, vehicles, shipbuilding, aerospace, textiles and clothing, gas, electricity, water supply, and professional and scientific services.

The White Paper makes it clear that much of the money spent in defence goes to the "high technology" industries. Over 20 per cent of the output of the electronics industry is devoted to defence, for example, while more than 60 per cent of the work of the aerospace industry is also on defence account. The defence equipment programme sustains about 200,000 job opportunities directly within the major defence industries, and about the same number indirectly elsewhere. At the same time, the sale of defence equipment overseas helps to sustain about 75,000 direct job opportunities in industry, while these sales, amounting to about £1.2bn a year, not only contribute to the balance of payments but generate further benefits for the nation in capital invested in research and development.

Thus, the White Paper declares firmly that "the ability to develop and produce arms is an important national asset. It ensures supply; it enables British service requirements to be met in an appropriate and timely way; it provides domestic employment; it can be paid for in our own currency; it enables us to collaborate, where that is our preferred course; and it offers the prospect of securing foreign exchange through sales. Above all, because of its contribution to our defence, it helps to maintain our national security."

The Government therefore stresses that it intends to continue to give full support to British industry in providing these benefits. But in return, the Government looks to industry "to develop and produce equipment of the desired quality, in the quantities required and at the time expected, in a cost-effective way."

While much has been made in recent years of the growth of collaborative ventures overseas—as a means of spreading the burden of costs and widening the ultimate market for military hardware—the White Paper makes it clear that this still accounts for only a small proportion of overall equipment spending: about 15 per cent, with 75 per cent of the budget being spent on national contracts placed with British industry, and only about 10 per cent being bought in from overseas.

"Only a small percentage of our procurement expenditure does not contribute directly to the British economy." Nevertheless, the Government intends to adhere to the principle of collaboration where this can be achieved with benefit to Britain, and it is currently exploring several major new areas. These include a new Tactical Combat Aircraft with France and West Germany; a new Multiple Launch Rocket System (MLRS) with the U.S. and European countries; and a new generation of anti-surface ship missile with NATO countries.

For the first time, this year's White Paper also gives details of some major programme costs. The new Sting Ray lightweight torpedo, for example, now under development by Marconi Space and Defence Systems, is costing around £920m, while the new Seabed Operations Vessel (SOV), being built by Scotts of Greenock, is costing £80m. The cost of a joint Anglo-West German-Italian Tornado GR1—the basic strike version of that aircraft—is £10m, which indicates that the more advanced Tornado F2 Air Defence Variant (ADV) will be more expensive. A nuclear-powered fleet hunter-killer submarine costs about £140m, fully equipped, while a Type 42 guided-missile destroyer costs £85m. By comparison, a 150 millimetre smoke ammunition shell for the new FH-70 towed bowitzer costs a mere £340.

But the White Paper also stresses that the Government's search for economies is extending to defence as well as other areas of spending. While stressing that a vigorous research programme is fundamental to equipment procurement, the White Paper recognises the strength of criticisms in the recent past of the large number of defence research establishments and the amount of work they produce for the money they take.

MEN AND MATTERS

MD flies off with the profit

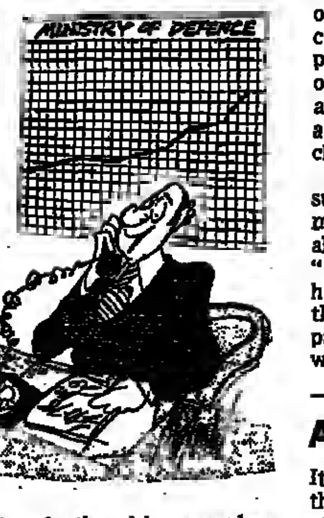
A serious rift appeared yesterday on the board of the Nottingham-based company Treascron. Directors went their separate ways following what managing director Tim Linacre described as "some disagreement" over a major investment decision.

Not to worry, though. They will all be back together again for the start of the next term at Nottingham University. Linacre and fellow director Debbie Bliss and Mark Harris, all economics undergraduates, ran Treascron into first place in an inter-university management game, collected their prizes and promptly wrapped up their affairs.

The organisers, accountants Deloitte Haskins and Sells, who made a grand occasion of the finals in the Hilton Hotel yesterday, handed over £500, to the team, a similar amount to their university department, and a crystal ball as a token of thanks.

Deloitte's spokesmen acknowledge that they have reason to be thankful since the game, started in October, has given them a good idea of the potential talent coming through universities. More than 200 teams entered, double the number expected by the firm, which takes on about 350 graduates a year for accountancy training.

"The glamorous female on our team," says out-going MD Linacre, "suggested that we should spend the winnings on some capitalistic enterprise. After all the hard work we have put into winning, I suppose the idea of losing it is abhorrent." Undeterred, however, he is set on spending his share. "I am going to Tenerife for a conference," he tells me. "Before this all I had was a student grant. Now I can go out there and really enjoy myself."



"Last of the big spenders here . . ."

Off form

The devoted guardians of our linguistic heritage who run the Plain English Campaign yesterday launched a new drive against bureaucratic obfuscation. From her Salford headquarters, campaigner Chrissie Maher explains that our commonest tax forms, the dreaded P1 and 11P, are "badly set out, badly written and chronically disorganised."

"The 11P gives you a space no bigger than a gnat's kneecap," she avers in admirably plain terms, "to explain your occupation, employer's name and address, and the income against which a deduction is claimed."

Scoffing at Inland Revenue suggestions that there is no money for simplifying forms, she urges taxpayers to stick "one of those horrible little halfpennies" on the back of their returns. "If every taxpayer sends a halfpenny they will collect more than enough."

Another ball game

It is maybe a sign of the times that both the CBI and TUC staff soccer teams battling it out at Wormwood Scrubs last night were led by economists. The first boot was hitting the leather as the Financial Times presses started to roll, so I am unable to bring readers the latest information. But students of form clustered behind the woodwork were predicting a convincing victory for the workers.

Not that anyone appears to take these annual clashes on the sports field very seriously. "One match ended up with both sides fighting," recalls Doug McWilliams (an economist in the CBI's industrial trends department. "I think that was in 1976. The TUC were a long way ahead, but they started it anyway." The CBI claims to do rather better in the occasional cricket matches with the TUC, although McWilliams admits ruefully: "Last year they won both times." Len Murray, Sir John Methven and others habitually in the limelight, wisely avoid such rumbustious, loaded encounters.

Down the tubes

New York commuters jogging, skating and plain trudging to work yesterday had double the cause to grumble at the vagaries of the city's transport network. It was bad enough for them to be forced by striking subway and bus workers to leg it from the suburbs. Worse still, they had just heard the news that those gambling on impending fare changes had backed a non-runner.

The New York subway operates a flat 50 cent fare; travellers buy tokens to work the turnstiles. The city's managers have now said the fare must soon go up by anything from 15 to 25 per cent to cover soaring costs. This suggested to the canny commuter that the value of the token would also go up, giving hoarders a rare chance to realise a huge capital gain. No surprise therefore that token sales have soared in the last few days.

When the subway fare was increased in the early 1970s, hoarders got scorched because the Metropolitan Transporation Authority sprang a surprise and changed the token along with the fare at the last moment. When a new fare increase came along in 1975, to 50 cents, the hoarders stayed away. The token was not changed.

This time the authority had everyone guessing. As the buoyancy of the token market suggested, the betting was that they would not change the currency. The MTA got the last laugh, however, when it announced that there would be a new token, explaining laconically that the announcement was being made in advance of the fare rise "to discourage hoarding."

Song of praise

I am still in suspense over the origin of the Turkish proverb I quoted the other day: "If you are going to hang yourself, use British rope." But I am grateful all the same for an equally gruesome, equally mysterious promotional titbit from the director of the British Textile Confederation, Ian MacArthur.

Plainly not a man to miss any chance to promote the merits of his industry's products, MacArthur tells me he was reminded by the Turkish maxim of a Belfast music hall song he learned at his father's knee. Sadly, he can recall only the gist of most of the ditty. It was about a man who tried unsuccessfully to commit suicide by cutting his throat, finally completing the job by hanging himself with a bed-sheet.

The last two lines, however, come easily to MacArthur's lips:

"The razor blade was German made,

The sheet was Ulster linen."

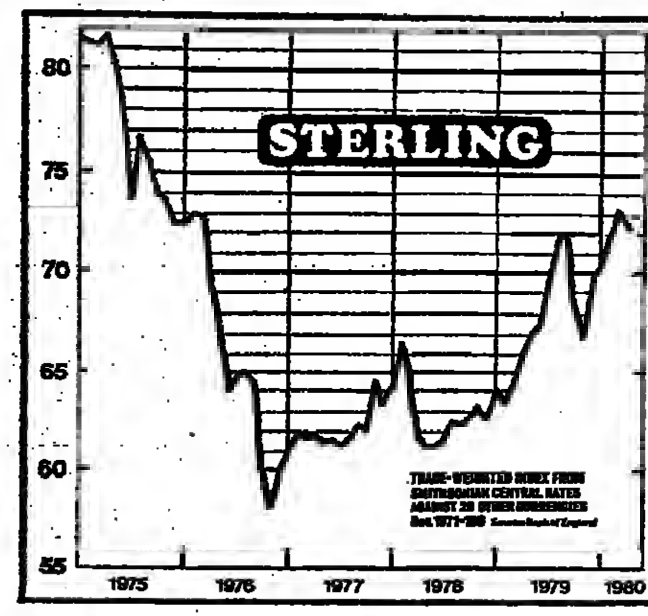
هكذا من الأصل

ECONOMIC NOTEBOOK

Shock, horror forecasts from Cambridge

THE most predictable economic sensation each year is not the Budget but the Cambridge Economic Policy Review, which makes our flesh creep every spring with predictions of the country becoming an industrial desert if import controls are not introduced forthwith.

Although we have had some proliferation of selective import controls, the most important actual development over the last year has been the sharp rise in sterling, produced by a combination of North Sea oil and high interest rates. This is the very opposite of the Cambridge medicine. For its immediate impact has been to make British goods less price competitive against imports as well as in export markets.



Thus from the Cambridge point of view, we have taken a giant backwards and when this year's Review is published on April 17 we can accordingly expect far more strident doom warnings than ever before. Man-eating tigers will—we shall be told—be prowling in the streets, and the bowl of dying industries will kill all sleep.

The Cambridge Economic Policy Group has nothing to learn from any public relations expert. After Easter we will have column after column of frightening figures. In March we already had a prose press release, coinciding with a popular television programme talking of "the collapse of the economy within a year or two." And hitting the Government where it thinks it will hurt most, the Cambridge Economic Policy Group chose to emphasise not its unemployment horror story, but a Public Sector Borrowing Requirement (PSBR) of "towards £20bn" next year.

So far from being a voice in the wilderness, as it occasionally likes to portray itself, the CEPG finds a large and responsive audience, which wants to hear what it is being told. For just as incomes policy was the fashion of the 1970s, import controls are going to be the vogue cry of the 1980s. The real danger is going to come not so much from the Left—where the Benn group can be taken for granted—as from the Government's natural supporters among industrialists and from self-seeking backbenchers looking for a U-turn with a difference. All these will use the Cambridge analysis as their fig-leaf.

The popular appeal of the Cambridge Group is that it satisfies the popular craving for lurid horror predictions and also provides an intellectual veneer for the protectionist demands of special interest groups. This appeal is often rationalised by the belief that the CEPG has had a good track record in its forecasts. Even if this were so, it would not prove its remedies right. For the strongest economic law going for Cambridge is Murphy's: "If anything can go wrong, it will go wrong." No policy recommendations whatever follow from Murphy's Law.

But even with the benefit of Murphy's Law, the Cambridge track record is nothing like as good as generally assumed. This is not a disgrace. Forecasting is difficult, and I am not going to get into the argument about whether other forecasting bodies made more or fewer mistakes. The point is that the Cambridge Group make plenty, and its record does not lead one to believe that it is possessed of a rare clairvoyance denied to others.

The table in this article, which has been prepared by Mr. Douglas McWilliams of the Confederation of British Industries, compares the likely outcome in 1980 with the predictions made in previous issues of the Cambridge Economic Review. There is obviously an element of forecasting in giving "likely" 1980 figures: but, as we are concerned with trends over a five-year period, variations in the remaining nine months of 1980 are unlikely to disturb the comparison too badly.

The most obvious Cambridge error has been in predicting output. Its error here has been one of excessive optimism, not pessimism. Taking 1975 as a base, the CEPG has at different times forecast on the basis of "existing policies"—i.e. without import controls—increases of output by 1980 of between 13 and 20 per cent. This is two or three times the actual increase, which looks like being around 7 per cent.

This error is the more startling as the best Cambridge forecast has been that of unemployment—which has usually not been far from 1.5m, excluding school-leavers, which is the likely average for 1980. If the CEPG is given credit for predicting "unemployment in the low millions," so too must be Mr. Peter Jay (whose phrase it is). But Mr. Jay did so on the basis of an entirely different analysis derived from the functioning of cartelised labour markets; and he offers totally different remedies.

Mr. Jay's forecast was made, moreover, much earlier in the winter of 1973-74 when unemployment was less than 600,000. At the time of the 1976 Cambridge Review—the first to give detailed projections for 1980 — unemployment was already 1.2m, the prediction of a continuing rise was not a particularly startling or unorthodox one.

What is startling is the combination of an output forecast that was much too high with a broadly correct unemployment forecast. In other words the real error was a great overprediction of productivity growth: Cambridge overstated enormously the amount of unemployment associated with any given level of output.

On inflation related variables, the record has been mixed. In 1976 the Cambridge forecasters came quite close to predicting the present price level—and again in 1978. But in 1977 and last year too, they were off beam—in the direction of understating inflation. The CEPG was, curiously enough, vastly overoptimistic in predicting the Public Sector Borrowing Requirement which it expected, in 1976, to have declined to zero around today.

On export and import penetration, the Cambridge errors look minor; but are not. An error of just under 1 per cent in underpredicting the UK share of industrial countries' exports and of over ½ per cent in overpredicting imported manufactures as a proportion of British output, together amount to several billion pounds. The important point is that the errors are in the direction of overstating import penetration and understating export success.

The direction of these errors is the opposite of what one might expect from their exchange rate predictions. In 1976-77 the Group was predicting a sterling exchange rate for 1980 over 30 per cent lower than that which now prevails. Even a year ago it underestimated the sterling rate by about 20 per cent. If one allows for wage and productivity movements, the comparison is similar.

The Cambridge Group's reply will no doubt be that its howlers on the exchange rate are due to some combination of the oil price increase and policy mistakes exceeding their worst nightmares. The prestige of the Group in the popular and political mind rests, however, not on any belief that its forecasts would have been right on certain assumptions, but on the belief that they actually were right—which is not well borne out by the record.

CAMBRIDGE ECONOMIC POLICY GROUP FORECASTING TRACK RECORD

	Year of publication 1976	1977	1978	1979	Likely outturn 1980
	Base Projection				
GDP IN 1980					
Volume index, 1975=100	115.4	119.7	110.0	113.3	107.3
UNEMPLOYMENT					
1980 average, UK excl. school leavers, in millions	1.58	1.49	1.81	1.50	1.5
EXCHANGE RATE					
1980 average trade-weighted index, 1971=100	49.2	46.2	54.3	56.7	70.6
EXPORT MARKET SHARE					
UK manufactured exports as proportion of industrialised countries, 1980	8.5	8.7	8.5	8.9	9.7
IMPORT PENETRATION					
UK imports of finished manufactures as proportion of GDP at market prices 1980	NA	9.9	9.9	NA	9.3
CONSUMER PRICES					
Level in 1980, index, 1975=100	189.1	177.7	186.8	177.2	186.5

Source: CBI

Likely outturn corresponds to latest published CBI forecast.
GDP is at factor cost. Indices are based on individual Cambridge Reviews. CEPG forecasts are for compromise estimates. Ca''o for output estimates.
Exchange rates are translated into the normal tradeweighted Bank of England index.
For export market share, the CEPG 1976-78 forecasts are produced by projecting 1975 shares according to CEPG forecasts of rises in volume of non-fuel exports, volume of world trade and changes in UK unit costs relative to world prices of manufactures (expressed in a common currency and adjusting for the fact that part of the change in UK unit costs relative to world prices is reflected in profit margins). For 1979 the CEPG forecast is obtained by interpolation of estimates for 1982 and 1978, and the change from 1978. (World trade shares in 1975 and 1978 are based on the National Institute Review, February, 1980, table 22.)
Import penetration figures are in volume terms at 1975 prices. Import figures are at factor cost. GDP figures, under this heading, are at market prices.

It is open to Cambridge to say that employment and exports are as high as they are, and imports as low as they are, because of the lagged effects of the sharp sterling depreciation between 1975 and the end of 1976. This would be an interesting use by Mr. Wynne Godley and Mr. Francis Cripps of Professor Friedman's idea of "long and variable lags."

On this argument the post-1977 rise in sterling will indeed cause a collapse in output and employment over the next year or two. The snag is that market economists also predict a rise in unemployment because of (a) the transitional effects of reducing the inflation rate or (b) because workers are being priced out of jobs by labour market monopolies or (c) because of past delays in adjusting British industry to a new structure of comparative advantage, or to some mixture of all three.

But there are testable differences between the two views. Market economists would expect inflation to be on a downward path by 1981-82 and output and employment to recover subsequently, although not necessarily along a path suitable for the next election. The Cambridge Group believes on the other hand that inflation will not subside and sees no reason why the recession should ever bottom out on present policies.

If, however, we have across-the-board import controls, we shall never know who was right — which is the least of the reasons for not having them.

The Cambridge Group's approach to policy embodies all the age-old fallacies of producers' economics, long ago demolished by Adam Smith and David Hume, in scientific-looking modern statistical garb. The only reason for disinterring its forecasting record is the widespread belief that it is so scintillating that one has to be bowled over by the mass of forward numbers it produces. One does not.

Samuel Brittan

Letters to the Editor

Leaded petrol

From Mr. C. Goodacre

Sir,—I refer to "Angry parents reject leaded petrol report" (March 29).

Lead like sulphur is part of our environment in that the natural content of the earth's surface lead is around 17-20 parts per million, this can be as low as 7 ppm and as high as 170 ppm in agricultural areas, where food is grown, animal or vegetable.

Average lead levels in industrial areas today is around 17-20 microgrammes per 100 mls blood according to the literature. In lead-associated industries this can be four times as high with no apparent ill effects over a working lifetime.

Medical science sets the danger blood lead level at 80 u/gms per 100 mls blood. Some say this in children should be halved.

According to the media the Department of Health and Social Security report says (a) 80-90 per cent of our lead intake is from diet, low quality cosmetics, smoking, and water pollution from old lead piping plumbing, etc. Pica as old decaying (sweet) lead paint can also be a factor for children in poor living city areas, with demolition going on. (b) 20-10 per cent of our body lead intake is by inhalation, half of which can be from the exhaust of vehicles operating on lead-treated petrols, as lead dust in the atmosphere of heavy traffic near static in narrow 18th century streets in this 20th century. Such conditions are rarely encountered by humans for prolonged periods. Such conditions are diminishing by better traffic handling.

In summary it seems like this:— If you take the worst case of 80 ugms lead/100 mls blood, only 8 ugms can come from lead in petrol, which is not very significant; and taking the "average" case of 20 ugms/100 mls body, blood only 2 ugms per 100 mls blood contains from leaded petrol — this being the top end of the "average." This result of 1-2 microgrammes of lead per 100 mls body blood is within the margin of experimental error.

Leaded petrol as the DHSS report says is insignificant in the lead and health problem by logical analysis. So why create parental confusion and anxiety?

C. L. Goodacre.
32, Buttermere Court, NW8.

Solution to commuting

From Mr. K. McDowall

Sir, — Further to Mr. Alan Kay's letter (Apirl 1), I have long argued that what we surely need is a 4-day, 40-hour week in Britain operating over a 7-day cycle. This would give people three days off and 4 days on, but spread the load evenly over seven days.

We could get seven days production out of our machines and at the same time create many extra service jobs in shops and leisure activities — we would even need more vicars, because even churches would have to be open every day.

Once people have commuted in for eight hours they might just as well stay for 10, especiall if they knew they were then going to get a three day break when there would be the opportunity to use leisure facilities which are not crowded to capacity as they are now in the two day peak on Saturday and Sunday.

Commuting would be evenly spread over seven days and thus one might even get a seat on the train, and the rolling stock would be used seven instead of five days.

Furthermore, such a new approach might even catch public imagination and get them actually to work four days, with the prospect that they were also going to get a decent break.

Keith McDowall.
407 Mountjoy House, Barbican EC2.

Civil service productivity

From the Chief Executive, British Council of Productivity Associations

Sir,—Your leader (March 24) on the growing number of civil servants pointed out with every justification that greater efficiency was most likely to be achieved by devising better measures of output and productivity.

Papers presented at an international conference last October illustrated the variety of techniques being used in other countries to measure productivity in the public sector. The assistant commissioner for productivity and technology at the U.S. Bureau of Labour Statistics, for example, showed how his department obtained productivity data from approximately 350 Federal organisational units covering nearly 65 per cent of the civilian employment in Federal Government: I have a strong suspicion that it would prove difficult to find comparable figures in the UK or indeed locate a unit with any such responsibility for effective productivity measurement in the public sector.

D. F. Bailey.
British Council of Productivity Associations.
8, Southampton Row, WC1.

Transports of delight

From Mr. V. Ellis

Sir,—Inspired by Gillian Darley's article (March 29), last Sunday I visited the London Transport Museum housed in Covent Garden's old Flower Market.

It was like being transported into another world. A world free of angry faces glowering at us from the TV. In their stead, a sea of smiles. Even the people in the waiting queue were smiling in anticipation.

Fathers regarding their young offspring with the same besotted expression seen on Barbara Woodhouse and other dog owners. Once inside, children climbing wherever possible to climb and I am not at all sure who were the happier, the children or their fathers. This aura of happiness, to which we are all so unaccustomed, included the harassed attendants.

Heaven knows we have all had cause to grumble at Greater London Council and London Transport at times. But on this occasion they have provided a treat for children of all ages, not forgetting those old enough to remember the more ancient forms of transport.

To those who laid out the exhibition (from whom the Victoria and Albert Museum could take a lesson) to Metal Stitching who restored the roof of the building and to all those unsung heroes who drive London's tube trains and buses on Saturday nights, I send my grateful thanks.

Vivian Ellis.
Holnkote,
Nr. Minehead, Somerset.

Dubious value

From Miss E. Thornhill

Sir, — Contrary to Mr. Banks-Jones's suggestion (March 19) that "there must be a tendency for pensions at retirement in the public service to exceed that for the multi-employment 'comparable' career in the private sector," the constraint on pay in the public sector under successive Governments has resulted in the reverse effect. It may interest readers to know that, as a result of the stringent application of policies to civil service pay since 1975, the pension of a civil servant retiring in 1980 is over 30 per cent less than his/her colleagues of similar rank and service who retired in that year. The benefits of index-linking are thus of dubious value to civil servants currently retiring, particularly since, unlike their "counterparts" in the private sector, their pensions are assessed on pay net of pension contribution.

(Miss) E. Thornhill.
8, Brendon Close, Ferndale, Tunbridge Wells, Kent.

Delays in the post

From Mr. E. Mulholland

Sir,—Once again the Post Office has been publicly taken to task for the ever-increasing delay in handling letters. We are told that the blame lies with both management and unions and, to a lesser extent, with British Rail and the weather. Perhaps we should be thankful that this brilliant conclusion does not also blame those who, having bought stamps, are inconsiderate enough to post letters.

I have never been able to understand why the Post Office, even with the aid of the firm of efficiency experts which it once employed, has not been able to see the one simple cause of the trouble. It is that when Parliament turned the Post Office into a corporation it removed the obligation to deliver mail as quickly as possible. This fundamental obligation had for centuries been the basis of the excellent service some of us can still remember.

With this obligation, second clas mail as we now know it would have been impossible. The enormous effort expended on post codes and mechanical sorting, together with its corollary of union opposition, could not have been considered because its results would have violated the fundamental obligation. It must be obvious that second class letters require double handling, to put them into store and take them out again, and also extra storage space. And that anyone who runs a transport business could not continue to do so if he charged less for those goods which incurred the greater handling costs. It follows that the Post Office will never make its letter services pay until it charges more for second than for first class mail.

The closure of village post offices is recent news. But of all the suggestions for keeping them open there are only two which I do not recall. One is that they should once again frank mail and enable all local letters to be delivered by the postman on his next outward journey. The other is that they should issue car licences.

No doubt the Post Office, with quango to heel, will at no little expense (and after consulting the unions) be able to prove the absurdity of what I say. In doing so it will also prove that the services we used to regard as normal were quite unreasonable and are quite impossible.

E. B. Mulholland.
Orchord Cottage, Roydon, Harlow, Essex.

Property owning

From Mr. D. Roaf

Sir, — The headline over Michael Cassell's article on building society finance (March 25) "Radical policy changes on the way" made me hope that building societies were to introduce "low-start mortgages" as suggested by Samuel Brittan's column (January 21).

Alas, the radical proposal is to disregard Government pressure for low-interest rates and charge what the market will bear. This will not greatly inconvenience rich borrowers, but it will make house-purchase even more difficult for the poor than it already is. In 1970 a couple with median earnings paid 24 per cent of post-tax income on a new mortgage. In 1980 this will be 39 per cent (if available).

The problem with a mortgage at times of high inflation is the cash-flow for the first few years. paying off an old mortgage is easy. There are three Liberal policies to deal with this. Index-linked mortgages, equity-sharing and low-start mortgages are all possible—and largely ignored by conservative building societies.

Epping Forest District Council for example operates a low-start scheme. In collaboration with an insurance company, which puts up half the money, Epping Forest offers mortgages which require purchases to pay only 63 per cent of payments on a traditional mortgage for the first seven years, and they have to pay 120 per cent for the last eighteen years.

If building societies were similarly imaginative we could achieve the property-owning democracy denied us by high interest rates.

D. J. Roaf,
Exeter College, Oxford.

Politics and shipbuilding

From Mr. N. Metcalf

Sir,—I note in your leader of March 31 that you say with reference to British Shipbuilders, that "No doubt the naval yards could be sold off . . ."

As a shareholder in Vosper, I would say, "Fine, if they had been bought from us in the first place." The sad fact is that so far we have only received £1.35m on account for a total offer of £4.5m. This derisory figure compares with assets of £25m that were nationalised. Furthermore on vesting day the company was heading for a yearly turnover of £100m and profits of £8m.

Surely this must rate as one of the biggest business scandals of the decade.

Nicholas G. Metcalf
Old Cottage,
Vale of Health, N.W.3.

Today's Events

GENERAL

UK: Steelmen return to work after 13-week strike.

Final day of Financial Times' conference on the future of sugar, Grosvenor House, W1.

Yorkshire Building Society annual meeting, Leeds.

Zimbabwe Airways starts services from London Gatwick to Salisbury, Rhodesia.

Caledonian Airways publishes annual report.

The Queen distributes Maundy Money at Worcester Cathedral.

National Boys and Girls Exhibition opens, Alexandra Palace (until April 9).

Antiques Fair opens, Hotel Majestic, Harrogate (until April 9).

PARLIAMENTARY BUSINESS

House of Commons: Questions from 9.30 to 10.30 am, then debates on various topics until 3.30, when House adjourns for Easter recess (until April 14).

House of Lords: 11 am Education Bill. Commons Amendments.

COMPANY MEETINGS

IDC, Stratford-upon-Avon, Warwickshire, 11.30. Law Debenture Corporation, Estates House, 66, Gresham Street, EC, 10.30. Sedgwick Forbes Bland Payne, 33, Aldgate High Street, EC, 12. Tavener Rutledge, Adelphi Hotel, Lime Street, Liverpool, 12. Thermal Syndicate, Royal Station Hotel, Newcastle-upon-Tyne, 2.15.

COMPANY RESULTS

Final dividends: Babcock International. Breedon and Cloud Hill Lime Works. Bruntons (Musselburgh). Thomas Jourdan. London Brick. The Morgan Crucible. William Morrison Supermarkets. Rockware Group. L. Ryan Holdings. E. Upton and Sons. Interim dividends: A. Beckman. J. Hepworth and Son. R. P. Martin. Wombwell Foundry and Engineering.

LUNCHTIME MUSIC, London

Recital by John Lill (piano), City Music Society, Bishopsgate Hall, 230, Bishopsgate, EC2, 1.05 pm.

Organ recital by Philip Norman, St. Giles, Cripplegate, 1.10 pm.

SPORT

Royal Yachting Association racing committee meets to discuss Olympic participation.

GKN tops £100m mark despite engineers' strike

SECOND-HALF 1979 profitability at Guest Keen and Nettlefolds, one of the world's largest engineering groups, was affected by the national engineering dispute which is estimated to have cost some £15m in lost profits. However, pre-tax surplus for the period at £47.9m was £2.6m higher than in the same half of 1978, raising the full-year figure from £87.3m to £101.4m. Turnover for the year reached £1.96bn, against £1.75bn.

Sir Barrie Heath, the chairman, says that although European operations are maintaining the strong performance of 1979, the general level of industrial activity in the UK is slackening.

The national steel strike has had a progressively disruptive effect, and while it is not possible at this stage to make any assessment of the ultimate cost of the strike, he says that the first quarter's UK profits are being seriously affected. GKN is the largest user of steel in the UK.

In the latter part of 1979, the continued strength of sterling began to affect some of the group's export sales from the UK, particularly to the U.S., although the year's results were not materially affected. Total exports from the UK, including sales invoiced to UK purchasers for overseas customers, were £253m (£226m).

Trading surplus for 1979 increased from £96.3m to £115.9m, struck after charging additional depreciation for inflation of £22.4m (£19.9m), but including realised stock profits estimated at £10m (£7m).

A divisional breakdown of turnover and trading surplus shows: automotive components £896m (£637m) and £51m (£47m); wholesale and industrial distribution £385m (£311m) and £17m (£9m); general steels £214m (same) and £3m (£1m loss); special steels and forgings £239m (£208m) and £14m (same); fasteners £151m (£161m) and £7m (£6m); industrial services £135m (£83m) and £11m (£10m); other activities £325m (£314m) and £13m (£11m). Intra-group sales accounted for £187m (£173m).

Profits attributable to ordinary holders rose from £40.4m to £51.3m for 1979. Earnings per £1 share are shown at 32.6p (26.7p), or at 47.6p (40.8p) before charging additional depreciation for inflation. A final dividend of 13.5545p raises the total net payment from 17.3803p to 19.3937p per share.

There was a sharp increase in extraordinary debits from £0.8m to £18.5m, reflecting termination costs of £10.3m (£1.3m) on discontinued activities and a £7.4m deficit this time arising from the sale of the investment in John Lysaght (Australia).

The sale of the 50 per cent holding in Lysaght was completed in December: the consideration of £44.2m was held on deposit at the end of the year and has since been used to reduce group borrowings. Other associates in Brazil, Spain and Australia achieved markedly better results.

	1979 £m	1978 £m
External turnover	1961.0	1754.7
Surplus	181.8	157.7
Historical depreciation	43.8	41.5
Addinl depreciation†	22.4	19.9
Trading surplus	115.9	96.3
Inv. inc. & int receiv.	3.4	1.7
Interest payable	35.8	23.5
Share of assocs. pfts.	18.0	12.9
Profit before tax	101.4	87.3
Taxation	44.2	41.6
To minorities	5.9	5.3
Earnings	51.3	40.4
Extraord. debits	18.5	0.8
Dividends	32.1	26.3
Retained	0.7	13.3

† For inflation.

Capital expenditure in the year increased from £85.3m to £108.6m.

The first U.S. plant for the production of constant velocity joints will be commissioned next month and work on the larger facility, also in North Carolina, is well advanced. The major investment in new rolling facilities for special steels at Brymbo in North Wales, giving a larger range of billets and bars.

At the year-end, group fixed assets amounted to £579.1m (£521.9m), while net current assets improved from £341.9m to £423m. Short-term borrowings were £168.5m (£146.4m), and liquid resources £98.3m (£39.9m).

See Lex

HIGHLIGHTS

On a hectic day for corporate news Lex considers the full year results from GKN where a pre-tax rise from £87.3m to £101.4m could have been some £15m higher if it were not for the engineering dispute. A good improvement in UK sales helped BICC close its year end books on a £9m increase in profits despite the slight fall in exports but the Board predicts that 1980 will be a difficult year. On the inside pages the expected collapse in profits from Bridon are reported where problems at Ashlow took their toll. Willis Faber surprised the market which had been expecting better profits and the shares shed 12p during the day. On the insurance company front Sun Alliance and Phoenix published their results while Peachey Property announced doubled half time profits. Harris Queensway continues to produce the goods with a substantial rise in profits very much up to market expectations. Royal Worcester pushed profits up by a third and net profits from merchant bankers Kleinwort Benson also increased by a third.

Berkeley Hambro up 54%

GROUP PRE-TAX profits of Berkeley Hambro Property Company climbed 54 per cent from £2.33m to £3.58m during 1979, but group revenue was down from £6.91m to £6.69m. At the interim stage pre-tax profits increased from £1.03m to £1.97m.

Property outgoings, management expenses and interest accounted for £3.15m (£4.63m).

The final dividend is raised from 1.9p to 3p, making the total 5.5p (3.65p). Net asset value per 25p share based on a directors' revaluation of properties, was 285p at December 31, 1979, against 243p the previous year.

Total borrowings have been reduced to below £8.6m and include £8.5m mortgage debenture at a fixed rate of 9½ per cent repayable 1997-2002.

Tax charged was higher at £1.34m against £761,000 and after minorities £7,000 (£21,000) and preference dividend, group profit was up from £1.51m to £2.2m, with £1.3m (£909,000) retained after ordinary dividends, £934,000 (£605,000). Current assets are down from £13.05m to £9.3m.

GROVEBELL

Grovebell Group has agreed with Genco investment to buy 151,500 Bond Street Fabrics shares for £43,935, satisfied by 151,500 shares.

Grovebell will then hold 746,500 Bond Street shares, or 27.6 per cent.

BICC up to £65.6m and sees further progress

AS INDICATED at midway, 1979 results of BICC showed an improvement, with profits before tax for the year moving ahead 16 per cent to a record £65.6m. Of this, £27.9m against £26.6m came in the first six months.

Sales were 6 per cent higher at £1.19bn, but in volume terms showed a 1 per cent rise after adjustment for the sale in September 1978 of the interest in General Cable Corporation. A significant increase in average copper price was largely offset by currency movements.

	1979 £m	1978 £m
Sales	1,189.9	1,121.2
UK	544.6	445.6
Exports	189.8	196.3
Overseas	455.5	479.3
Depreciation	21.6	20.7
Share of assocs. prfts.	8.8	10.0
Copper profits†	5.2	2.4
Operating profit	75.8	65.0
Finance charges	11.2	8.4
Profit before tax	65.6	56.5
Taxation	23.8	24.1
Net profit	41.8	32.5
Minorities & prf. divs.	9.8	7.5
Attributable to ord.	32.0	25.0
Ord. dividends	13.1	11.6
Retained	18.9	13.4

† Arising from increase in the valuation of copper included in stocks of overseas companies.

The group is engaged in cable and wire making, and civil, mechanical and electrical engineering and contracting.

Operating profits increased by 18 per cent to £75.8m. The major improvements were at BICC Cables—up £6m to £17.9m—and BICC International—up £7.1m to £38.7m. Balfour Beatty raised its contribution from £12.3m to £13.5m, but BICC Industrial Products profits fell by £2.5m to £6.7m.

Sir Raymond Pennock, the new chairman, says 1980 is likely to be a difficult year, but given freedom from any additional national industrial disputes, further progress is anticipated.

The group has been relatively unaffected by the steel dispute but the impact of strikes last year—mainly the road haulage and engineering disputes—cost the group between £4m and £5m in profits.

Last year BICC reduced its UK workforce by around 800, with the largest part of this coming from the closure of its Kirkby factory. A provision of some £3m for the cost of this closure has been made in the 1979 results.

The group will be trimming its workforce further this year, but there are no immediate plans for more plant closures.

Group capital expenditure this year is likely to show little change over 1979 in real terms.

On an inflation adjusted basis, pre-tax profits for 1979 fell from £21.1m to £19.2m, mainly due to a substantial increase in the amount required to finance inflationary increases in stocks consumed. Return on assets on this basis was 4.4 per cent (4.5 per cent) compared with an historical 23.1 per cent (19.6 per cent).

Profits attributable to ordinary holders advanced from £25m to £32m, after a special tax credit of £4.6m on the release of deferred tax provision in respect of UK stock relief for 1973 and 1974.

Stated earnings per 50p share rose over 27 per cent from 16.8p to 21.38p, but excluding the effect (3.07p) of the special 1979 tax credit, represents a 9 per cent improvement. The dividend total is stepped up from 7.79p to 8.57p net, with a final of 5.82p.

At balance date, group assets employed totalled £339.4m (£324.7m). Cash and short-term deposits were down at £31.9m (£40.4m), while bank overdrafts and short-term loans rose slightly from £39.7m to £40.3m. Shareholders' funds reached £200.6m, against £191.9m.

Willis Faber falls behind as exchange rates bite

AFTER THE slight downturn in the first half when pre-tax profits were £10.06m against £10.51m, Willis Faber, insurance broker, fell further behind in the second half with pre-tax profits lower at £7.09m against £8.63m, resulting in the year's figures coming out almost £2m down at £17.16m. At 1978 exchange rates, profits would have been higher at about £2.75m.

With tax taking £8.9m (£10.35m) earnings per 25p share are stated at 20.3p (21.66p). The final net dividend is 7.5p (6.8396p), making the total 11p (10.05p).

Group income, comprising net retained brokerage, fees and commissions, interests and dividends plus contribution of £5.13m (£4.06m) from its insurance and underwriting agency Sovereign Marine and General Insurance, totalled £62.14m (£48.28m). Expenses amounted to £53.97m (£29.29m).

Profits of Sovereign were slightly lower at £651,000 against £789,000, and associated companies profits improved from £2.42m to £3.47m, including approximately £2.1m (£1.8m) of company's share of profit of Morgan Grenfell. Group profits came out at £13.69m (£15.72m).

Mr. Ronald Taylor, the chairman, says in his report that the rise of income, when expressed in original currency, is reasonable in light of depressed premium rates experienced in many areas of the company's business.

He states that, for several years investment in new systems will be an extra cost, but this is important to future competitiveness. Some aspects are already yielding tangible benefits—for example, a reduction of administrative jobs, he adds.

He says it is difficult to forecast the outcome of profits for 1980. Premium rates are likely to remain under pressure for most of the year. Cumulative appreciation of sterling since late 1976 has imposed a strain on profitability, but it is unlikely to continue indefinitely. The board views the future with confidence and is poised for substantial growth.

● comment

A far from robust result from Willis Faber—with pre-tax profits some way below the £19.5m expected by most analysts—loped 12p off the share price, which closed at 235p, and rattled the sector. The underlying trends are weak. Expenses showed a rapid increase in the second half—partly because of the group's commitment to systems development, and investment income did not provide much support. The slower flow of funds from insurance companies which arrange reinsurances through Willis did not help, while the funding of larger claims meant that less cash could be banked to earn interest. But investment income did procure support at Sovereign although an underwriting loss is still being made. The prospects are unexciting. So the shares at present levels, and yielding 6.9 per cent, and standing on a p/e of 11.2 on stated earnings, could be vulnerable to selling pressures.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
A. Arenson ...int.	0.52	Aug. 1	0.45*	—	1.75*
Bestwood	3	May 14	0.99	3	0.99
Biddle	6.2	May 23	5.26	8.6	7.46
Black & Edgington	2.8	July 1	2.79	5	4.99
Berkeley Hambro	3	—	1.9	5.5	3.65
BICC	5.82	July 1	5.29	8.57	7.79
Bridon	2.7	May 22	4.56	5	6.86
Burns-Anderson ...int.	0.6	May 19	0.22	—	1.68
Carron Co.	2.9	—	2.43	4.6	3.97
C.L.R.P. Inv. Tst.	1.6	June 2	0.9	—	2.8
Feb Intnl.	1.58	May 20	1.21	3.45	1.95
GKN	13.55	May 24	11.79	19.39	17.38
Hanger Invs.	1.75	—	0.5	3	0.6
Harris Queensway	4	May 30	2.25*	6*	2.25*
Hiltons Footwear	3.42	June 2	2.77*	4.72	3.63*
I. & J. Hyman	0.84	—	0.59	1.25	0.99*
Jove Inv. Tst.	2.25	May 30	1.95	4	3.65
Kleinwort Benson	4	May 27	2.8	6.5	4.8
F. J. C. Lilley	2.31	June 2	1.68	3.85	2.79
M.T.D. (Mangula) ...int.	29§	—	12	—	27
Peachey Property ...int.	1.5	May 20	1	—	3
Phoenix Assurance	7.5	July 1	6.45	13.3	11.56
Royal Worcester	5.7	May 8	4.73	8.6	7.13
Solicitors' Law	0.72	—	nil	1.47	1.47
Sun Alliance	14.5	July 4	11.51	28	22.51
Trnsatlntc. Mkt. Tr. int.	62	Apr. 25	12	62	13
Wilkinson Warburton	4.35	June 16	3.95	6.29	5.71
Willis Faber	7.5	June 4	6.84	11	10.05
Yarrow ...int.	2.5‡	June 16	1.85	—	7.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § Rhodesian cents throughout.

Bridon takes steps to correct Ashlow

Bridon, the Doncaster-based wire, wirerope, engineering group, is to form a joint subsidiary with Korf Group of Germany, to take over the design and technical activities of its loss-making Ashlow Steel and Engineering company. The subsidiary, Ashlow Limited, will have a £1m share capital, with Korf holding 60 per cent.

Results of Bridon, for 1979 were dominated by the trading losses of Ashlow Steel which amounted to £11.3m. This left taxable profits for the group well down at £3.59m, compared with £17.1m. Turnover totalled £295.7m (£288.6m).

The dividend is cut from 6.6596p to 5p net per share, with a final payment of 2.7p.

Under the Korf deal, Ashlow, which has already trimmed its labour force from 750 to 400, will be moving out of rod mill manufacture, and will concentrate solely on design through a team of about 100. Manufacturing, where the major problems occurred, will be put out to subcontract, with a substantial proportion likely to go to UK companies.

The deal will give Korf, which operates six steel plants in West Germany, U.S., Brazil and France with a combined production of 3m tonnes, added strength on the contracting side.

Mr. Hans Rohde, joint managing director of Korf Engineering, part of the Korf Group, says the transaction, as well as supplementing the German company's range, will preserve the only major rod mill design capability outside the U.S.

Needing modernisation Ashlow Limited is expected to be fully operational by early summer, and its first big order is expected to be announced soon. It will take over the uncommitted inventory of the previous company, valued at some £2.5m, and a small investment in the U.S., valued at £0.5m.

Group profits of Bridon, before interest of £6.72m (£4.67m), amounted to £10.3m (£21.78m). Including the engineering loss the UK side incurred £3.8m, against profits of £9.13m previously, the overseas contribution rising from £12.66m to £14.11m.

Tax was much lower at £1.05m compared with £7.18m, and after minorities' losses of £600,000 (£331,000 profit), and an extraordinary debit of £5.22m (nil), the attributable loss was £3.1m (£9.4m profit).

The extraordinary item is a further provision in respect of the costs of closing the Ashlow Aising Road manufacturing facility.

Before the item, earnings per share are shown as 5.75p (8.28p) net, and 7.89p on a nil basis.

● comment

The new management at Bridon has acted decisively to stem the losses at Ashlow, and the £5.2m provision below the line should be enough to cover any further losses. Meanwhile the sale of the company's stake in Haggie in South Africa for £32.4m will reverse last year's cash outflow and leave the balance sheet marginally healthier than 1978's, when total debt was 30 per cent of capital employed. However, until the money can be reinvested, possibly in a mini-mill, the short-term outlook for profits is uninspiring, especially as both Ashlow and Haggie had been key growth areas. The steel strike has probably cut between £3m and £4m off this year, leaving the likely pre-tax out-turn in the region of £10m. The shares at 71p yield 10½ per cent after the final dividend cut. The prospective p/e is below 8, fully taxed.

CLRP makes headway at six months

Total revenue after tax of CLRP Investment Trust increased from £159,384 to £257,010 in the half year to February 29, 1980. Tax charged was up from £92,707 to £145,098.

The interim dividend is raised from 0.9p to 1.6p—last year's total was 2.8p from net revenue of £431,426. Net asset value of 25p ordinary shares was 106.3p at February 29, 1980, against 99.5p at August 31, 1979.

Dividends absorb £224,001 against £126,000. Total revenue in the first six months was up from £389,474 to £576,675.

Royal Worcester expands and lifts dividend

AN ADVANCE of some 34 per cent has lifted 1979 pre-tax profits of Royal Worcester, ceramics and electrical group, to £3.6m compared with £2.69m, after interest charges up from £0.49m to £0.51m.

The dividend is lifted from 7.134p to 8.6p net with a final of 5.7p.

Before interest, expenses of £245,000 (£237,000) and a minority profit last time of £289,000, the surplus rose from £3.7m to £4.66m. Royal Worcester Spode contributed £2.51m (£2.02m), Royal Worcester Industrial Ceramics £508,000 (£469,000) and Welwyn Electric £1.64m (£1.21m).

Group sales for the year went ahead from £38.31m to £43.63m.

At halfway profits were £1.36m (£936,000).

Earnings per 25p share, after tax of £836,000 (£966,000) and an extraordinary debit last time of £138,000, are shown to have risen from 28.6p to 49.1p.

There is an attributable surplus of £2.97m (£1.59m) and dividends will absorb £520,000 (£430,000).

With its three divisions firing on all cylinders, Royal Worcester has pushed up profits by around a third. This is in marked contrast to the general performance of the china industry but Worcester is increasingly supported by its industrial ceramics division (where trading margins are a dazzling 22 per cent) and the Welwyn Electric operation, which now justifies the group's fairly glamorous rating. Income gearing has risen (though in the balance sheet net debt has dropped slightly to 37 per cent of shareholders' funds) and Royal looks well placed to reduce borrowings through a cash-call. The shares, at 247p stand on a p/e of 8.6 on fully-taxed earnings. Dividends are covered 5.7 times, so there is no danger of income dilution, and yet the group apparently has no immediate intention of making a rights issue. If that is the case, it is in a good position to improve the 5 per cent yield.

Carrington Viyella to cut spending

Penal rates of interest have forced Carrington Viyella to reduce the level of planned capital expenditure during 1980, Mr. L. Regan, chairman, told yesterday's annual meeting.

He reported that retail trading was by no means buoyant and recovery was not expected for some months.

"We took positive action during 1979 to deal with losses of approximately £5m in certain areas of the business and, as the year progresses, the reduction and final elimination of those losses will have a beneficial effect on profits," he added.

SPAIN

April 2	Price %	+ or −
Banco Bilbao	225	
Banco Central	250	−2
Banco Exterior	206	
Banco Hispano	226	+3
Banco Ind. Cat.	130	
Banco Madrid	154	
Banco Santander	260	
Banco Urquijo	159	−3
Banco Vizcaya	232	
Banco Zaragoza	208	
Dragados	100	
Espanola Zinc	62	
Fecsa	58.2	
Gal. Preciados	28.5	+2.0
Hidrola	64.5	−0.2
Iberduero	58.5	
Petroleos	109.5	
Petroliber	59	
Sogefisa	607	
Telefonica	54.2	−0.3
Union Elec.	64.5	+1.3

Harris Queensway ahead: continued growth expected

TAXABLE profits of Harris Queensway Group, carpets and household furniture retailer, expanded from £5.46m to £8.82m in the 52 weeks to December 22, 1979, on turnover ahead from £52.98m to £79.97m.

Sales in the first three months of 1980 have been higher than in the corresponding period last year, say the directors, and in the light of the group's recent expansion and new developments, this should be another year of continued growth.

Results for 1979 were very satisfactory, they add, having regard to the adverse economic climate during the year.

A final dividend of 4p lifts the net total to 6p after adjustment for October's one-for-one scrip issue, compared with an equivalant single payment of 2.25p for 1978.

The surplus includes profits on property transactions of £616,000 (£486,000) and is struck before tax of £3.01m (£1.78m). Earninga per 20p share are shown up from 12.26p to 17.82p.

Dividends absorb £2.18m (£0.33m), leaving retained profits of £3.63m (£3.35m).

The results include the trading of Hardy and Co. (Furnishers) from the date of its acquisition, July 27, 1979. The rationalisation of Hardy has been completed, report the directors, and it is now trading profitably. Profits from the sale of Hardy properties up to the year-end were £2.2m. These gains represent amonnts realised in excess of the property valuation at July 27, 1979 and have been treated as part of the value of net assets acquired.

The group's balance sheet has been substantially strengthened during the year, state the directors, with net tangible assets increasing from £7.28m to £28m. At the year-end, cash and bank balances stood at £5.04m and long-term borrowings at £10.21m.

A new DIY division was established during 1979 and by the year-end was operating from 14 stores; start-up costs have been charged against profits. Four carpet-cutting warehouses were closed and a new central carpet warehouse at Swanley, opened in November, is now operating satisfactorily.

A formal offer document relating to the group's agreed £15.4m bld for Henderson-Kenton will be posted to shareholders today.

• comment

Harris Queensway could bave made over £10m pre-tax had it not taken on Hardy and entered the DIY field with an £8m investment in Homecare. It bas spent heavily on sorting out Hardy, and establishing the central warehonse at Swanley inevitably caused problems. Bnt Harris will reap the rewards this year. Hardy could chip in profits of £2m and the DIY side should move into the black. Queenswey is being rapidly expanded and Henderson-Kenton (the offer document is out today) sbould slot in without as much effort as Hardy took. The furniture/carpet market is far from buoyant bnt even if there is a small decline in volume Harris should see a very good rise in profits—perbaps £12¼m before H-K. So at 192p the shares are still good value with a p/e of 10.4 and yield of 4.6 per cent.

Hanger Investments rises 16%—dividend boosted

DESPITE a rise in charges from £4.4m to £8.1m, taxable profits of Hanger Investments, Ford mein dealer and leasing concern, rose by 16 per cent to a record £2.71m for 1979, compared with £2.34m.

And the dividend is boosted to 3p net per sbare, agaiost 0.5p, with a final of 1.75p, as forecast.

Turnover jumped 48.2 per cent from £48.84m to £72.38m.

Surplus was £1.72m (£1.24m) at the interim stage, and the directors said that in tbe current economic climate and with high interest rates, they felt thet profit levels would come under pressure. But they were confident that results for the full year would reflect the contiouing progress of the group.

The year's tax charge, deferred because of stock appreciation relief, waa £530,000, no provision being made, as in 1978, for tax deferred in respect of capital allowances—tax charge last year was £205,000.

Earnings per share are sbown as 29.34p (25.63p), and after the dividend cost, up from £36,243 to £275,833, the amonnt retained was £1.9m (£2.1m).

• comment

Despite more than doubled interest charges and slipping pre-tax margioa, Hanger has managed a 15.7 per ceot profits rise. The group faces two main problema which are likely to continue into 1980 and could put a brake on earnings growth. First, the company is vulnerable to a fall in spending; forecasts are for a decline of 10 per cent in the number of new car registrations this year. Secood, since a significaot part of the buslness is in leasing, Hanger could suffer from soaring interest cbarges. But 1980 seems to beve started reasonably and if all goes well, the next figures to come from the group could be unchanged or show ooly a modest drop. The dividend has heen bosted six times, end is still well covered. The yield at 46p is 9.7 per cent. On a full tax charge tbe p/e is 3.

BOARD MEETINGS

The following compaoies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—A. Beckman, J. Hepworth, M and G Group, R. P. Martin, Wombwell Foundry and Engineering.

Finals:—Babcock International, Bredon and Cloud Hill Lime Works, Bruntons (Musselburgh), J. Dykes, Thomas Jourdan, London Brick, Magnolia (Mouldings), William Morrison Supermarkets, L. Ryan, E. Upton.

FUTURE DATES

Finals:—

Bodycote International	Apr. 22
Chesterfield Properties	Apr. 21
Helene of London	Apr. 9
Lyle Shipping	Apr. 11
More O'Ferrall	May 13
Richards and Wallington	Apr. 14
Rio Tinto-Zinc	Apr. 16
Royco	Apr. 10
Securities Trust of Scotland	Apr. 14
Selection Trust	Apr. 10
Small (John C.) and Tidmas	Apr. 8
Tysons (Contractors)	May 13
Vickers	Apr. 24

BESTWOOD PAYS 3P

The directors of Bestwood Company, iovestment holding concern with interests in printing, report a jump in profits and dividend, for 1979.

From turnover of £764,168 against £636,374, taxable surplus has risen from £78,021 to £145,788, and the dividend la boosted to 3p net per 15p share, compared with 0.9955p. Stated earnings per share are 5.86p (3.71p).

Tax for the period takes £54,419 (£20,067) leaving net profits at £91,369 (£57,954).

At halfway profits were £40,593 (£20,260).

Arenson higher but cautious

PRE-TAX profits of A. Arenson (Holdings), office furniture and equipment manufacturer, improved slightly from £431,000 to £496,000 in the six months to January 31, 1980.

After tax of £37,000 against £43,000, stated earnings per 10p share are 3.81p (3.2p). The interim is raised from an adjusted 0.45p to 0.52p—last year's total was 1.75p from pre-tax profits of £1.37m.

Commenting on the first half figures, Mr. A. Arenson, the chairman, says exports rose by 25 per cent—the main increase coming from tha U.S. and western Europe.

He expects bigher turnover and profits in the second half as the works boliday falls in the first. There is currently pressure on margins caused by raw material cost increasea and a softening of demand in the bome market.

In the medium and long-term, he believes the company can look forward to steady growth in all major areas of activity.

Turnover in the first half increased from £6.64m to £7.26m.

• comment

Arenson's growth rate, at least in the short-term, will be slowing down due to a static home market. But strenuous efforts are being made to improve productivity and boost exports, in particular to the U.S. However, if the MFI acquisition of Status goes through there could be substantial possibilities. MFI is already the company's most important customer and there are firm indications that Status will also be atocked with Arenson products. This could boost sales of flat pack furniture by more than half. Arenson also sees potential in office seating and filing equipment products—an area where its share of the market is still very small. On past 12 months earnings the shares, at 46p, are on a fully-taxed p/e of 7.3. The prospective yield is at least 6.3 per cent.

Feb Intnl. ahead at year end

IMPROVED pre-tax profits, np from £527,000 to £618,000, are reported by Feb International, manufacturer of chemicals and retail distributor of building materials, for 1979. Turnover was up from £10.26m to £12.53m.

After tax down from £303,000 to £219,000, stated earnings per 10p share are up from 4.91p to 8.75p. The final dividend is raised from 1.21p to 1.575p making 2.45p net (1.947p).

Pre-tax profits were arrived at after depreciation £176,000 (£114,000), interest £141,000 (£56,000) and pension fund contributions £128,000 (£123,000).

Midway lift for Burns Anderson

DESPITE THE economic situation and depressed trading conditions in the motor industry, Burns-Anderson has lifted its profit from £293,000 to £367,000 in the half year ended December 31, 1979.

As well as motor vebicle distributinn, the group is engaged ln building development, property investment and shopfitting. Sales for the half year rose £4.35m to £15.65m

Turnover continues at a high level, althougb in general, trading conditions at present are not encouraging.

The interim dividend is being raised from 0.22p to 0.6p net. Total for 1978-79 was 1.68p from profits of £857,000.

Increase seen at Hoover

FIRST quarter results at Hoover, wbich last year reported a pre-tax profits fall from £5.3m to £1.86m, will be "very much better" than the previous corresponding period, Mr. M. R. Rawson, chairman, told yesterday's annual meeting.

"Provided there are no adverse factors beyond our control to hinder us, then I am confideot that wben we next meet I shall have a much happier story to tell," he said.

Referring to the flood of cheap imports into the UK, be said that the only way the company was going to be more competitive was to be more productive. He pointed out tbat tbe company started 1980 with staff levels of just over 11,000, a reduction of nearly 2,000 over the previous 12 months. "Current production levels remain the same, and are even better than before much of the time," he added.

Wilkinson Warburton decline

FOR 1979 profits of textile and carpet distributor Wilkinson Warburton have declined by £151,000 to £878,916, but the directors consider this satisfactory in the light of the many adverse factors.

However, for the current year they doubt that profits will reach the 1979 level.

Throughout 1979 margins were progressively eroded by escalating overhead costs, particularly bank interest whicb rose from £173,039 to £443,497.

A final dividend of 4.35p lifts the net total from 5.71p to 6.29p per 25p share. Earnings are shown at 15.77p (19.16p).

Despite current difficulties the directors are confident that the company will emerge "as one of the country's strongest textile importing groups."

	1979 £	1978 £
Sales	23,407,607	19,390,321
Trading profit	1,513,978	1,334,733
Interest payable	443,497	173,039
Depreciation	191,565	131,794
Profit before tax	878,918	1,029,900
Taxation	489,500	558,300
Net profit	389,418	471,600
Pref. dividends	7,485	7,485
Ordinary	†145,834	132,387

† After £6,542 (£5,838) waived.

Carried-over loss hits Crosby House

An exceptional loss of £138,000 arising from activities terminated in 1978, has resulted in a pre-tax loss of £55,000 during 1979 for Crosby House Gronp, a holding company with interests in freight, warebousing, container repair and general trading. The loss is against a profit of £234,000 in the previous 12 montbs.

The exceptional loss was taken into account at the halfway stage wben the pre-tax loss was £118,000 (loss £131,000).

No dividends on ordinary and preference shares are again being paid. No ordinary bas been paid since 1976 when the total was 9.35p, but an interim was paid on preference abares last year.

Loss per £1 abare before extraordinary items is 2.3p (22.03p).

Tax charged during the year was up from £7,000 to £17,000. There was a big drop in turnover wbich was down to £10.02m from £14.17m.

The board states that provided current levels of profitability are maintained, it is proposed to recommence paying the preference dividend, together with the arrears, in June, 1980.

Second half fall at Hiltons

A second half fall from £1.19m to £1.08m has left taxable profits of Hiltons Footwear down at £1.56m for the year ended January 25, 1980, compared with £1.6m. Turnover was ahead from £11.34m to £13.18m.

At the interim stage profits were up at £487,294 (£407,835) but the directors seid it seemed likely that results for the full year would show little change from 1978-79.

Stated earnings per 20p share are 5.76p up et £20.74p and the dividend is effectively increased to 4.723p (3.683p) net with a final payment of 3.423p.

The attributable balance came out at £1.27m (£1.62m) after tax, mucb lower at £291,169 (£677,875) and an extraordinary credit last time, of £695,977.

Mid Southern Water

A total of £9.73m epplications were received for the offer for sale by tender of £5m 10 per cent redeemable preference stock 1985 by Mid Southern Water Company.

The lowest price to receive a partial allotment was £98.01 per cent against a minimum price of £98 per cent. The average price was £98.45 per cent.

Dealings start today. Brokers to the issue were Seymour, Pierce and Company.

MINING NEWS

Northgate's Tynagh mine nears end of life span

BY KENNETH MARSTON, MINING EDITOR

THE high-grade Tynagh base metal mine in Ireland's County Galway, whicb put the Toronto-based Northgate Exploration on the map, as far as UK investors were concerned, hes finally reeched the end of the road. It began with the discovery of the black mud mineral deposit in 1962 and it will end with the proposed cessation of underground mining operations io July of this year.

However, the Tynagh atory is nol quite finished. Northgate says io its annual report that io July it will have about 2,000 tons of cnpper concentrates in stock at Tyoagh with ao average estimated metel content of 55 ounces of silver per too plus 22 per cent copper snd 21 per cent lead.

The company is also atudying the feasibility of recovering silver from a stockpile of oxida material produced during the earlier open-pit operations. Amounting to about 110,000 tons, it averages some 7.5 ounces of silver per ton and it is thought that about 70 per cent of the metal would be recoverable.

Uotil uoderground operations cease, production st Tynagh thia year will have a value of some C$20m (£7.8m) if metal prices remaio at arouod current levels, it is stated. Looking ahead, Northgate has hudgeted C$3.5m for mineral exploration this year in sddition to some C$3m allocated by associated companies and e further C$3m for oil and gss exploration.

Negotiatioos are also io hand for a parlicipation in "a good" placer gold depoait in Spain. Meenwhile, the group's 37 per cent-owned Whim Creek Is to start production this quarter at its Haveluck gold property in Western Australia.

Northgate's two principal investments are the 9.97 per cent stake in Tara Exploration, which operates the big Navan lead-zinc mine et County Meath in Ireland, and a 5.2 per cent stake in Vestgron which owns the Black Angel base metal mine in Greenland. Even so, with the approaching end of operations at Tynagh, Northgate's need for new sourcee of revenue has an added urgency.

RTZ HOLDING IN CRA RUNS DOWN

Australisn public ownership of Conzinc Riotinto of Anstralla has increased to 38.9 per ceot as a result of share issues to North Broken Hill and BH South in exchange for interests in varied mining enterprises; the Rio Tinto-Zinc holdiog io CRA is thus reduced to 61.1 per cent, from the 65.5 per cent obtaining since last December.

The transactione, formally settled yeaterday, leave CRA with 50 per cent of Kembla Coal and Cnke, 100 per cent of Cobar Mines, Cobar South aod Electrolytic Refining and Smelting, 70.5 per cent of Kanmantoo Mines and 35.2 per cent of Metal Manufactnres.

The 19.3m fully paid eharee issued to BH South and the 8.6m fully paid shares issued to North Broken Hill will receive the 1979 final dividend of 10 cents CRA is paying on May 1.

ROUND-UP

There has been a elackening of demand for the products of South Africao Manganese Amcor, the world's largest exporter of manganese and ferro-alloys, said Mr. John Kearney, the chairman. But the company has kept stocks at reasonable levels and should not be seriously affected. Escalatioo of armaments programmes will io due course lead to an increase in demand, he said.

* * *

Island Creek Coal, a U.S. subsidiary of Occidental Petroleum, has an agreement in principle with Romaoia for the development and operation of a joint venture coal mine to produce 2m tons of steam coal annually for 30 years. Dr. Armand Hammer, the Occidental chairman, announced.

* * *

WHILE still expectiog 1980 to he a "satisfactory year" uoless the world economic recession is unexpectedly severe Canada's Noranda natural resources giant is convinced of an encouraging longer term outlook. Mr. Alfred Powis, the chairman, points out that the 1979 record results—earnings virtually trebled to C$394.5m (£152.8m) — demonstrate that the group "has substantial eerning power under circumstances where product prices approach levels needed to justify new capacity."

* * *

The Anglo American Corporation group'e Caoadian Hudson Bay Mioing and Smelting saya the view for all sectors of operatione in 1980 "appears to be bright". The forecast is inthe context that the overall outlook for the minerale industry is again favourable after depressed yesrs, but optimism ie tempered by the unsettled international political situation and continuing high inflation.

QUEENS MOAT BUYS SHEPPERTON HOTEL

Qoeens Moat Houses has hought the leasehold of the 184-room Elizabethao Hotel at Shepperton for £1.3m, to be satisfied by 2.22m ordinary shares with the balance in cash.

The lease, for 35 years from April, 1978, hears an annual rent of £208,000 with reviews every five years.

The hotel, which has a Thames river frontage, bas scope for expansion with a further 100 hedrooms and a aports centre, and Queens Moat expects it to make a substantial contribution to group turnover and profitability.

FACTORY BLDGS. OFFER FOR LIT

Factory Buildings (City), a privetely owned property and industrial holding company, is to offer 13p for each fully-paid £1 ordinary share in London Intercontinental Trust. The offer capitalises LIT at £130,00.

PHOENIX ASSURANCE COMPANY LIMITED

PRELIMINARY PROFIT STATEMENT

RESULTS

The following ara tha preliminary results of the Phoenix group of companies for the yaar ended 31st December 1979, subject to audit, together with the eudited results for the year 1978.

	1979 £m	1978 £m
PREMIUM INCOME		
General	355.9	337.6
Long-term	97.8	94.6
	453.7	432.2
PROFIT AND LOSS ACCOUNT		
Investment income	45.3	39.5
Underwriting results:		
Genaral	—14.1	—2.7
Long-term	3.1	2.2
	34.3	39.0
Less expenses not charged to other accounts	2.2	1.4
PROFIT BEFORE TAXATION	32.1	37.6
Less: Taxation	11.4	11.9
Minority intarests	2.3	2.8
NET PROFIT	18.4	22.9
Less: Dividends	8.0	7.0
Provision for proposed share schama	—	0.1
Nat prolit retainad	10.4	15.8
Earnings per share, calculated on a weighted everage basis	30.4p	38.0p

Notes: 1 US dollar transacdons are converted at tha rata of $2.22 for the year 1979 (1978 $2.04).

2 Tha long-term premium incoma for 1978 included £34.1 million in respect of a pariod of 21 months for Property Growth Assuranca Company Ltd and its subsidiary, now consolidated on an annusl basis.

3 A provision for an allocation under tha staff share schama, approved at the 1979 annual general maeting, is included for 1979 on a gross basia under expanses not charged to othar accounts.

The strength of sterling in 1879, compared with the currencies of the countries in which the group transacts the major part of its overseaa business had a significant impact on tha abova results. After adjustment for currency fluctuations, general premium income grew by 12% (5% unadjustad) whilst investment income edvanced strongly by 24% (15% unadjusted).

UNDERWRITING

Tha geographical distribution of tha ganeral business is as follows:

	Premiums writtan 1979 £m	Premiums writtan 1978 £m	Undarwriting balance 1979 £m	Undarwriting balance 1978 £m
United Kingdom and Ireland:				
Homa fire and accidant	122.6	107.0	—6.7	—3.2
Reinsurance aubsidiaries	17.1	16.9	—1.1	—0.8
Marina – UK companias	20.5	24.5	—0.4	—0.4
Aviation – UK companies	3.4	3.7	0.4	0.1
	163.6	152.1	—7.8	—4.3
Europa	70.3	61.3	—3.4	—3.5
United States	63.5	66.7	—1.7	2.4
Canada	19.0	18.1	—0.8	0.7
Elsewhere overseas	39.5	39.4	—0.4	2.0
	355.9	337.6	—14.1	—2.7

In the United Kingdom an axceptional incidence of large fire and consequential loss claims, coupled with heavy experiance in the motor account due to weather condidons, the impact of VAT on repair costs and an increasing rate of inflation, contributed to en underwriting loss for the final quarter of £4.8 million.

The United States operating ratio moved marginally from 101.1 at the end of September 1878 to 101.5 for the full year (94.8 for the year 1978). In Europe the previously profitable account in Denmark suffered e reverse in 1979 due to weather losses at the beginning of the year and a deterioration in motor results, but all other territories showed an improving trend. Trading conditions remained difficult in Canade and Australie, but business in most othar overseas counuies wea profitable.

The strong growth in new business production in racent years is now reflected in increased profits from the long term account. The impetus for growth was well maintained with new sums assured exceeding £2,000 million for the first time in 1979 (£1,700 million in 1978).

DIVIDEND

Taking into account tha strong growth in Investment income, tha increased transfar from the long term account and the special factors affacting the company's business in 1979, the directors recommend a final dividend of 7.5p (1978 6.445p) per share to be paid to members on tha register et the close of business on 30th May 1980. With tha interim dividend of 5.8p elready paid this represents a 15% increase over the dividends declared for 1978.

Tha date of payment of the finel dividend will be 1st July 1980 and the cost £4.5 million (1978 £3.9 million).

ANNUAL GENERAL MEETING

The annual general meeting will be held on Wednesday, 28th May 1980 at 12 noon. The Report to shareholders for the year 1979 will be issued on 2nd May.

Bath & Portland profits to fall

THE INTEREST burden of Bath and Portland Group's Iranian contract would result in a downturo in current year profits, Sir Kenneth Selby, chairman, told shareholders at the annual meeting.

Talks with the Iranian Government regarding peyments for the group's road contract were in progress, he sdded.

The home-based non-construction companies had increased their profits by 50 per cent over the past five years and provided a measure of the capital and security for overseas activities. Minerals and engineering should cootinue their progress in 1980, forecasts the chairman, although agriculture was unlikely to improve due to Common Market difficulties.

He stressed that the group would pursue a policy of plant replacement and product development in all divisions.

from £286,907 tn £195,554 for the half-year ended October 31, 1979. Turnover was up slightly from £2.26m to £2.55m.

The directors hlame the transport and engineering strikes for the prnfit shortfall, and they say that current industrial action is causing prnblems which will affect the market for the second balf—pre-tax profit for 1978-79 was £519,505.

The Interim dividend is 2p per 10p share, payable on Jnne 1.

Tax for the six months takes £84,000 (£65,000) leaving net profits at £111,554 compared with £221,907.

$1m rise for P & O Australia

Aftcr e secood-half slowdown, P & O Australia, shippiog and etevedoring subsidiary of Peninsular snd Orientel Steam Navigation Company, finished 1979 with pre-tax profits A$1m higber at A$8m.

Midway profits showed a 36 per cent jump to A$3.8m, hut growth was reduced to 0.3 per cent in the second half.

The annusl dividend is lifted from 17.5 cents to 20 ceot.

Sales advanced 47 per cent to A$129m and earnings sre shown as 32.1 cents agaiost 28 cents.

Deltight downturn

Despite a profit of £118,205 on the sale of properties, pre-tax surplus of Deltight Industries, specialist fastenings, was down

Increase by I. & J. Hyman

AS ANTICIPATED last May, I. and J. Hyman, plastic foam converter and manufacturer, continued its progress in 1979 and following the first half rise from £0.81m to £0.92m, pre-tax profits ended the year ahead at £1.83m, compared with £1.54m, oo turnover up £8.08m to £22.82m.

The increase in profitability atems from a combination of internal growth and marked progress by Hairlock, a wholly owned subsidiary of Somerscel, which was fully consolidated for the first time.

Results to date for the curreot year sre satisfactory.

Both depreciation and interest charges rose substantially in 1979 with increases from £355,128 to £540,090, and from £79,546 to £327,662 reepectively.

Tax wes reduced at £667,260 againat £735,948, and after minorities of £177,055 (£41,877), attributable surplus emerged up from £765,578 to £990,592.

Earnings per 5p share are stated at 4.87p (4.25p), while the dividend total is stepped up from an adjusted 0.9912p to 1.25p net, with e final of 0.8364p.

Dunhill joins Arabs in £11.4m bid for Asprey

BY ANDREW FISHER

Alfred Dunhill has joined forces with Dubai business interests to launch the long-awaited bid for Asprey, the Bond Street jeweller whose board was split by a family row several years ago.

Together with its new partners, the Altajir family, Dunhill has just picked up a further 6.8 per cent of the Asprey shares from members of the Philip Asprey family.

This gives Dunhill and Dunhill-Logida, a new company formed with the Altajir Interests, 36.7 per cent of the Asprey shares, thus necessitating a full bid. As well as its smokiog interests, Dunhill has branched ont into pens and menswear.

Asprey's reaction to the offer, valuing the company at £11.4m, was e terse "no comment." Dunhill-Logida is offering £28.50 cash a share, the price paid for all its share purchases to date.

Dunhill 50.6 per cent owned hy Rothmans International, already owns one leading firm of jewellers, Collingwood of Condult Street, for which it paid £1.4m in 1978.

Mr. Antbony Greener, Dunhill's managing director, said the link with the Altajir family, which bas substantial investments in the UK and the Middle East, should benefit the Asprey business.

Logida, an equal partner in the new company with Dunhill, is owned by Altajir Establishment, the controlling shareholder of Altajir Bank. Dunhill-Logida was formed specially to make the bid.

As well as its straight cash bid, Dunhill is also offering short- and long-term loan stock alternatives—£28.50 of 12 per cent stock 1983 in Dunhill-Logida, or £28.50 of non-interest bearing subordinated stock 2079.

Dunhill began its encroechment into Asprey's equity early in 1979, when it hought 7 per cent from Grovewood Securities. Last June, it purvhased nearly 25 per cent from members nf the Philip Asprey family.

Asprey rebuffed Dunhill's proposals for co-operation between the two sides and its attempt to gain limited hoard representation. Altajir then came into the picture with its desire to acquire en investment holding in the jewellere.

Dunhill-Logida intends, if its bid succeeds, to keep Asprey gning as an independent company, extending its markets and consolidating its luxury image.

Asprey suffered a drop in pretax prnfits from £3.2m to just under £3m in the year to March 31, 1979. Mnst of the outstanding shares are in the hands of the Asprey family nr trusts.

The current chairman is Mr. John Asprey. He tnok over lest year from his father, Eric, who is still managing director.

Dunhill, which is heing advised by Rothschilds, said its hid price compares with net tangible assets per share of £23.27 for Asprey. The 1978-79 annual report also indicated a prnperty surplus of £5.45 a share.

Canadian Pacific Investments Limited

Notice of Annual Meeting of Shareholders

Tha Annual Meeting of the Shareholdars of Canadian Pacific Investmants Limited will be held on Mondsy, May 5, 1980, at La Château Champlain, Place du Canada, Montreal, Quebac, at 11:00 a.m. (daylight saving tima, if operativa), for the following purposes:

a. to receive the Report of the Directors, accompanying Consolidated Financial Statements and Report of tha Auditors thereon, for the year ended December 31, 1979;

b. to consider and, if deemed fit, to sanction By-law No. 2, enacted by the Board of Directors on February 6, 1980, respecting the age and tenure of directors;

c. to consider and vote upon a Special Resolution to amand the Articles to change tha nsma of the Corporation from "Canadian Pacific Investments Limited – Investissements Canadien Pacifique Limitée" to "Canadian Pacific Enterprises Limilad – Les Entreprises Canadien Pacifiqua Limitée";

d. to consider and vota upon e Special Resolution to amend the Articles to divide the issued and outstanding common shares of tha Corporation on a two for one basis;

e. to elect directors;

f. to appoint tha auditors and to authorize tha Board of Directors to fix their remuneration;

g. to transact such other business as may properly come before tha maeting.

Thn Board of Directors has by resolution fixed the time, before which proxies to he used at the Annual Meeting of Shareholders or any adjournments thereof must be depositad at Montreal, Quebec, with tha Corporation or tho Montreal Trust Company as Agent for the Corporation, at twenty-four hours, axcluding Saturdays and holidays, preceding the Annual Meeting or any adjournments thereof.

By Order of the Board,

G.B. MacLean,
General Manager, Administration and Corporata Secretary.

Montreal, March 7, 1980.

LIVERPOOL AND LONDON TRUST

London and Liverpool Trust, an authorised investment trust, has reached agreement to purchase Regent Autocar Company. The consideration is the issue of 2,766,675 new ordinary shares of LLT, which would represent 45.98 per cent of the enlarged capital.

An EGM hes been called for April 22 to approve the acquisition. It is hoped that LLT will obtain re-listing of its shares early in May.

As part of the arraogement LLT has declered a second interim dividend of 0.7p per share oet in respect of the year ended March 31, 1980 payahle on April 28. It does not intend to recommend any further dividends for that year.

Mr. J. V. Wollam, chairman of LLT, says the directors have heen considering the development of the company for some time and have concluded that better use of resources could be mede hy the acquisition of trading businesses and the introduction of further manegement expertise.

Consolidated profits before tax of Regent Group for tha year to Septemher 30, 1979 amounted to £185,000 compared with £70,000. The substantiel increase mainly arose as a result of a full year's contribution from Hiatt and Co., an engineering business, which achieved profits before tax of £119,000.

Net assets as et September 30, 1979 attributable to the capital of Regent amounted to £558,000.

Peachey expands midway and lifts payment 50%

BY ANDREW TAYLOR

Peachey Property yesterday announced e 50 per cent increase in interim dividend on the back of pre-tax profits doubled to £1.79m in the first six months to December 25, 1979.

At the same time the group gave further details of its first incursions into the property investment market for at least three and a half years.

Gross rents in the first half were down from £1.8m to £1.7m, reflecting property sales, but net rents rose from £1.3m to £1.45m as a result of lower service and other charges.

The interim dividend is increesed from 1p net to 1.5p net, while earnings per ahare rose from 2.1p to 4.1p.

The group's strategy is to reduce its emphasis on property trading and to turn the business into an investment company holding long-term commercial property interests.

In the first six months the group made investment purchases totalling £2.2m. So far in the second half Peachey bas completed the purchase of an industrial estate at Nuneaton for £1.2m and has heguo the refurhishment of Craven House on the Carnahy Estate which, when completed —at an estimated cost of £1m— will provide some 20,000 sq ft of studios and offices.

In addition the group is seeking planning permission to develop nine factories and warehouses at Sydenham.

At the same time as it increases its investment portfolio the group intends to continue a policy of gradual disposal of its residential property interests. At June 1979, these accounted for 31 per cent of Peachey's total portfolio, valued at £48.96m.

The group says, bowever, that residential properties will generally be sold only when vacated or to sitting tenants.

F. J. Lilley passes £5m mark

DESPITE A slowdown in growth in the second half, taxable profits of F. J. C. Lilley, civil engineering, public works contractor, rose to a record £5.1m for the year ended January 31, 1980, compared with £4.22m, a rise of 21 per cent. Turnover expanded by 22 par cent from £65.5m to £80m.

Profit at halfway was £2.42m against £1.76m.

The group has a record order book, with most of the work in the UK, the directors state.

Activity in the Middle East has fallen, hnt other areas are being investigeted, including the U.S. A joint company has been formed with local interests in Sri Lanka and should contribute to results in the current year.

The directors say that the uncertain economic conditions worldwide do not make for optimistic forecasts, but that every effort will be made to maintain the group's progress.

Of the new acquisitions, Z. and W. Wade, and Robison and Davidson, made good contributions to the year's result, but a loss of £40,000 was incurred by Ace Machinery (Holdings), for the eight months of trading since they joined the company.

In the latter part of the year the manufecturing operations of W. Lawrence and Son (London) were closed down but oot before trading losses of £313,000 were incurred in completing outstanding work.

The factory has now been closed, and all costs have been provided for and shown as an extraordinary debit of £113,000.

Earnings per 25p share are shown as 16.89p (12.96p) and the dividend is stepped up to 3.85p (2.7917p) net with a final payment of 2.31p—total cost is £715,000 (£464,000).

Profits were struck after depreciation of £1.81m (£2.06m), included interest received of £503,000 (£287,000), and were subject to tax slightly lower et £1.97m against £2.06m.

After tax charge and the extraordinary debit, attributable balance came ont at £3.03m (£2.16m).

Black and Edgington tumbles

PORT GLASGOW hased camping, ceravan and workwear grnup, Black and Edgington was hit hard by higher interest in 1979.

Trading profits fell only marginally from £3.14m to £3.04m hut interest charges up from £0.96m to £1.75m caused pre-tax profits to tumble from £2.34m to £1.42m.

At Helfway, when the taxable profit decline was from £1.54m to £1.18m, Mr. R. G. Duthrie, chairman, warned that high interest and strong exchange rates would tend to hold hack a profit recovery in the second half.

He now says the year was a difficult one for the manufacturing divisions, where bigh interest took its toll and current trading is suffering from the strength of sterling in those compenies which compete loternationally.

Major reorganisation of various parts of the group took place during the year and direct costs hava heen charged against profits. The main problem aree is the caravan division, in which excess manufacturing capacity hecame epparent in the second six months and created problems which are continuing.

The decision was taken recently to close be Otringhem factory, to bring production capacity into line with requirements, and provision for this closure has heen made in the results. Current trading in the caravan division has heen difficult and much will depend upon the sales trend in the summer season.

The camping manufacturing side, which bad severe problems io 1978, showed improvement during 1979 and is budgeting for e satisfactory profit this year.

For the group as a whole, Mr. Duthrie says he is confident thet extensive rationalisations carried out will etart to show significant henefits in the second half of 1980.

Earnings per 50p stock unit for 1979 fell from 9.9p to 6.14p and the finel dividend is 2.8p net for e 5p (4.9888p) total.

	1979 £000	1978 £000
Turnover	66,200	53,900
Trading profit	3,038	3,147
Interest	1,747	957
Share of assoc.	129	150
Pre-tax profits	1,421	2,340
Tax	255	610
Profit after tax	1,166	1,730
Extraord. credits	*260	574
Available	1,426	2,304

* Includes £627,000 arising on the sale of property less £367,000 expenses of factory closures.

SUN ALLIANCE INSURANCE GROUP

The eudited reeults for 1878 are as follows:—

	1979 £m	1978 £m
Premium Income		
General Business	546.1	520.7
Long-term Business	136.5	120.7
	682.6	641.4
Underwriting Result—General Business	(26.4)	(4.9)
Long-term Insuraoce Profits	4.9	4.0
Investment Income	70.3	59.8
Other Income	0.4	0.6
PROFIT BEFORE TAXATION	49.2	58.5
Taxation	17.8	26.1
PROFIT AFTER TAXATION	31.4	33.4
Minority Interests	0.4	0.3
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	31.0	33.1
DIVIDENDS	13.8	11.2
PROFIT RETAINED	17.2	21.9
EARNINGS PER SHARE	62.9p	87.1p

GEOGRAPHICAL ANALYSIS OF GENERAL INSURANCE BUSINESS RESULTS

	1979 Premium Income £m	1979 Underwriting Result £m	1978 Premium Income £m	1978 Underwriting Result £m
United Kingdom aod Ireland*	318.0	(16.0)	281.2	(4.6)
Europe	86.9	(5.5)	90.4	(3.4)
U.S.A.	62.0	0.6	63.9	2.5
Caoada	15.9	(1.0)	16.1	0.3
Australia	22.5	(0.1)	28.0	1.3
Other Overseas	40.8	(4.4)	41.1	(1.0)
	546.1	(26.4)	520.7	(4.9)

* Including international Marine and Reinsurance business written in the U.K.

UNDERWRITING RESULTS

Premium income on general busineae world-wide increased by 4.9%. Excluding the effect of changes in exchange rates, the underlying growth was 9.2%.

Underwriting results were severely affecied by extreme weather lossea which altogether are estimated to have cost £16m.

In the United Kingdom, exceptional weather claims totalled £12m, the Personel Account egain euffering a heavy underwriting loss. There were also increased losses on the Accident and Motor Accounts, while Fire underwriting showed a marked deterioration.

In Europe, there was a reduced loss in Germany hnt poorer results were produced in most other countries.

Weather losses in the United States, including the damage caused hy Hurricenes "Devid" and "Frederick," affected the property underwriting results. In Canada there was e general deterioration in most classes of business.

Elsewhere overseas, underwriting experieoce was largely unsatisfactory and some heevy losses were suffered in several territories.

The 1977 Marine, Aviatioo and Transport Acconnt clnsed with e profit and a transfer of £2.5m bas been made to Profit and Loss Account.

LONG-TERM INSURANCE

The transfer included an increased contribution from the main Life Fund as a result of the valuation as at 31st December, 1979.

INVESTMENTS

Inveetment Income Increased by 17.6%. The underlying growth, after allowing for changes in exchange ratea, was 20.7%.

The Group's solvency margin at the end of the year was 72%.

DIVIDEND

The Directors have resolved to declare at the Annual Generel Meeting on 28th May, 1980 a total dividend of 28.0p per share in respect of the yeer 1979. An interim dividend of 13.5p per share was paid on 4th January, 1980 end the final dividend of 14.5p will be paid on 4th July next.

The total dividend, with the appropriate tax credit, will he equivalent to a gross distribution of 40.0p per share, compared with 32.854p per share for 1978.

Full Accounts and the Chairman's Statement will be posted to shareholders on 25th April, 1980.

2nd April, 1980

Kleinwort £3m profit rise

PROFITS of Kleinwort Benson Lonsdale, after tax, rose to £12.1m for 1979, against £9.1m, the increase coming from the banking side of the business which contributed £9.27m, compared with £6.12m.

The dividend is raised to 6.5p (4.6p) net per 25p share with a final of 4p—a 3.5p final was forecast last September—the total dividend cost being £3.57m (£2.56m).

Figures for the year included results of the principal subsidiary, Kleinwort, Benson Limited, merchant banker—banking profits were after a transfer to inner reserves out of which provision has been made for diminution in value of assets.

Other group companies profits fell slightly from £1.98m to £1.92m and associates' share was £906,000, compared with £976,000.

Group's balance sheet, as at December 31, 1979, shows that total assets were £2.39bn (£1.63bn).

Some £10m has been released from deferred tax to disclosed reserves, representing stock relief no longer required. And in order to bring the disclosed capital and reserves more into line with the present size of the business, directors have released the same amount from inner reserves to disclosed reserves.

● comment

Disclosed *net profit growth of* nearly a third from Kleinwort Benson came comfortably over *the market's recently upgraded* forecasts which, with the higher dividend, was enough to lift the shares by 4p to 144p. The bullion boom has clearly done much to allay the merchant bank's caution at the interim stage and Sharps Pixley has again performed well so far this year. The corporate side is still buoyant but money market and gilt-edged positions remain expensive to run and margins on the Eurodollar business—accounting for around half the total banking operation—have yet to widen. The leasing division put on very little new business in 1979, abolition of exchange control has eliminated the lucrative premium market and brokerage on Government stocks has ceased. Although bank advances increased by 29 per cent and the defrred tax transfer strenthens the balance sheet, Kleinwort will have to do very wall to maintain recent profits momentum and the shares probably rest on a yield of 6.6 per cent.

Sun Alliance falls by £10m to finish at £49.2m

SEVERELY AFFECTED by extreme weather, which is estimated to have cost £16m, general business underwriting losses of Sun Alliance and London Insurance jumped from £4.9m to £26.4m for 1979. This more than swallowed up the edvance in investment income from £59.8m to £70.3m and left pre-tax profits over £10m adrift at £49.2m.

On the underwriting side, the UK and Ireland were the worst hit, with exceptional weather claims totalling £12m and the overall loss rising from £4.6m to £16m.

Premium income on general business improved from £520.7m to £546.1m, while long term business produced £136.5m against £120.7m.

Tax for the year took £17.8m (£26.1m) and minority profits £0.4m (£0.3m), leaving the attributable balance at £31m compared with £33.1m. Earnings per £1 share dropped by 4.2p to 62.9p and the final dividend of 14.5p net raises the total payment from 22.505p to 28p at a cost of £13.8m (£11.2m). This left the amount retained at £17.2m (£21.9m).

● comment

A high proportion of UK private householder insurance left Sun Alliance exposed to e severe underwriting downturn after last year's bad weather. On general *worldwide* underwriting, losses more than doubled even with exceptiooal weather damage stripped out. In common with others, Sun felt the pinch in the U.S. though its operations remained in the black. The figures left the shares unchanged yesterday at 544p for a yield of 7.7 per cent. Sun is tipped for a strong profits *recovery this year—perhaps to* around £68m to £75m—helped by a premium rate increase on household buildings. *It has* a strong solvency margin, some 15 per cent better than some of its rivals, arguably leaving scope for a more generous future dividend policy.

Provincial Insurance second half recovery

HOLDING back underwriting losses and increasing investment income in the second half, Provincial Insurance Company turned round from a mid-term shortfall to a healthy pre-tax profit increase for 1979.

The *full year advance* was £1.24m at £4.98m, with higher investment income of £7.46m (£5.47m) offsetting the *rise in* general underwriting losses from £1.07m to £2.03m. At halfway *these losses* were £2.1m (£0.62m), investment income £3.65m (£2.95m) and taxable profits £0.61m (£1.68m).

General written premiums for the 12 months advanced from £73.15m to £79.88m. Tax, minorities and preference dividends took £1.72m (£2.13m), and earnings per 25p share jumped from 18.81p to 38.24p. The final dividend is 9.1347p net making a total *equal* to 22.8571p (21.216p) gross.

The company is "close" and over *50* per cent of the *quoted* "A" ordinary shares are privately held.

Underwriting losses results in £5.5m shortfall for Phoenix

THE STORY at Phoenix Assurance Company is similar to that at Sun. General nnderwriting losses increased to £14.1m, against £2.7m, and wiped out a £5.8m rise in investment income at £45.3m. This led to £5.5m fall in 1979 pre-tax profits et £32.1m.

Of UK and Ireland underwriting losses of £7.8m (£4.3m), some £4.8m fell io the fourth quarter. Exception iocidence of large fires and consequential loss claims, heavy experience in the motor account due to weather conditions, the impact of VAT oo repair costs and en increasing rete of inflatioo all contributed to this deficit.

In the U.S. there was a turn round in fortunes with the operating ratio worsening from 94.8 to 101.6. The previously profitable account in Denmark suffered a reverse but all other European territories showed an improving trend. The underwriting loss for Europe fell marginally from £3.5m to £3.4m. Canada and Australia remained difficult hut other overseas territories were generally profitable.

General premium income showed a 5 per cent improvement et £355.9m and this increase would have been 12 per cent after adjustment for currency changes. Long-term business was buoyant, with premium income rising from £94.6m to £97.8m and oew sums assured exceeding £2bn (£1.7bn).

After tax of £11.4m (£11.9m) and minority profits of £2.3m (£2.8m), net profits fell from £22.9m to £18.4m and earnings per 25p share from 38p to 30.4p.

At 7.5p oet, the final dividend increases the total payment from 11.557p to 13.3p, costing £8m (£7m). In recommending the higher dividend the directors commeot specifically on the strong growth in investment income, the increased transfer from long term account (up from £2.2m to £3.1m) and the special factors affecting the company's business in 1979.

● comment

A fourth quarter UK general underwriting loss of £4.8m against £1.9m at the nine-month stage helped knock Phoenix's profits below market expectetions. The shares slipped 10p to 208p, where they yield 9.4 per cent. Main contributors to the downturn were a sharp increase in lerge industrial fire and loss claims, motor claims from the north, and a cautious attitude to reserves in view of higher personal liability awards. Abroed, the U.S. yielded an underwriting loss of £1.7m, against 1978's £2.4m profit, as the operating ratio moved over 100 per cent. For the curreot year, investment income growth should he stronger than 1979's 15 per cent. House premiums are rising through the sector, and Phoenix will he increasing motor rates in the spring. Profits could be np to a third hetter.

First-half setback at Yarrow

DIFFICULT trading conditioos experieoced by the engineering companies has resulted in pre-tax profits of Yarrow and Company, the Glasgow engineer, boilermaker and ticket machine manufecturer, falling from £734,000 to £330,000 in the half-year to December 31, 1979.

After tax, substantially lower at £79,000 against £329,000, stated earnings per 50p share are down from 10.1p to 6.2p, but the loterim dividend is up from 1.85p to 2.5p. This increase is, however, *to reduce disparity* and should not be taken as implying an increase in the total dividend—the Board is confident the total will not be less than the 7.5p paid last year from pre-tax profits of £1.41m.

Sir Eric Yarrow, the chairman, says in his report that Yarrow Engineers incurred a substantial loss oo a large ship-repair contract. No further major ship-repair husiness is in hand.

Looking ahead, he anticipates e modest improvement in group profitability in the second half.

Biddle advances to £1.48m

AFTER REPORTING a midway *profits rise from £0.62m to £0.68m*, Biddle Holdings moved further ahead in the second half of 1979 to finish the year with a pre-tax figure of £1.48m, compared with £1.17m.

Earnings per 25p share rose by 5.1p to 19.3p, while a final net dividend of 6.2p, costing £215,554 after waivers, lifts the total payment to 8.6p (7.4552p).

Carron Co. ahead and plans scrip

DESPITE A marginal reduction in second-half surplus from £799,932 to £749,600, full-year taxable profits of Carron Company (Holdings) advanced to £1.61m in 1979, against £1.23m. Turnover improved from £32.02m to £38.41m.

At midway, profits had risen from £426,000 to £860,000, hut the directors said that while the results were encouraging, substantial increases in costs of all types of fuel were likely to have an adverse effect on husiness in general.

A final dividend of 2.9p lifts the net total dividend from 3.968p to 4.6p, and the directors are proposing a one-for-one scrip issue.

After tax of £165,600 (£196,932), stated earnings of the metal, plastic, ceramic and *general* engineering products manufacturer are up from 12.24p to 17.19p.

A property revaluation has produced a surplus of £2.8m.

Oyez gets to grips with its major problems

A *VIRTUALLY static* second half has left Solicitors' Law Stationery Society (Oyez) with taxable *profits down from* £795,921 to £491,162 for 1979, on turnover up by £1.21m et *£23.97m.*

The dividend is maintained et 1.474p net per 20p share, with a *final of 0.724p—last* September directors reported interim profits of £401,939 (£722,364) and anticipated that the *dividend for* the year should at least equal that paid for 1978.

Profit *figure for* the year included associates' loss of £50,214, but was hefore a tax credit of *£451,955 (£386,234* charge)—a release from deferred tax provision—leaving net *profits well ahead* at £943,117 against £409,687.

Pre-tax earnings per 20p share, *of this printer, publisher,* stationer, were 4.26p (6.99p), but 8.18p (3.59p) after the charge.

There was an extraordinary debit of £331,388 (£351,108) for the period, and the attributable balance emerged at £611,729 (£58,004).

The directors state that results were overshadowed by the serious effects of resolving the two major problem areas, the Belgien/French publishing operations, and Oyez Business Machines.

It was decided to bring forward the plenned closure of the Belgian/French operations, and *although this will increase the* final closure costs, the additional cost will be more than offset by the avoidance of increasing trading losses.

As e result, an additional provision of £330,173 has been made to cover the anticipated total closure cost.

Arrangements for the sale of stocks and the transfer of husiness activities of Oyez Business Machines, were completed on March 1, full provision against loss on disposal of stocks of £167,670 being made, the directors state.

Trading losses for the first two months of the current year, and cost of staff redundancies and of run-down of administration will be borne in 1980.

The directors say the recent action terminated finally the serious trading losses emanating from both situations, and the sizeable financial provisions made will obviate the need for further material provisions in these respects in the future.

There was a rise *in* term loans in 1979 due to the acquisition of 50 per cent interest in Richard de Boo, but the major increase during the year was in hank overdrafts.

Elimination of the losses being incurred in Belgium and France, and the release of a cash investment in excess of £600,000 in Oyez Business will jointly have a beneficial effect on overall *borrowing, directors state.*

NORTH AMERICAN NEWS

Super Valu boosts earnings by 23%

By Our Financial Staff

SUPER VALU STORES, the retailing group, raised earnings by 23 per cent in the year ended February 23. Its County Seat leisure wear retail chain and Shopko department stores provided the biggest gains.

County Seat's operating earnings rose by 30 per cent and Shopko's by 14 per cent in the year after a charge for a change to Lifo accounting.

For the final quarter earnings rose 15 per cent to $12.11m, or 67 cents a share, compared with $10.51m, or 58 cents a share, on sales which rose 13 per cent to $842.8m.

Net income for the year was $45.34m, or $2.50 a share, against $36.93m, or $2.05 a share, on sales which rose 15 per cent to $3.48bn.

Super Valu opened 13 County Seat stores in fiscal 1980 and expects to open a further 20 this year, while Shopko expects to open four more stores, the same as last year.

With the adoption of Lifo for the non-food operations, Super Valu said that about 86 per cent of its consolidated inventories now reflect that accounting method.

Bangor Punta's light plane sector hit by tight credit

BY STEWART FLEMING IN NEW YORK

FURTHER EVIDENCE of the growing impact of tight credit on some sectors of U.S. industry emerged yesterday with an announcement from Bangor Punta Corporation that it was laying off one-third of the work-force at its Piper Aircraft subsidiary.

Piper is the second largest manufacturer of light aircraft in the world, behind Cessna. Yesterday it disclosed that it will temporarily close three of its four divisions for a two-week period beginning on April 5 and at the same time reduce its 7,900 work force by 2,350 for an indefinite period.

The company said that the move was aimed at reducing stocks of aircraft, and reflects the continuing rise in interest rates and the tightening of credit, which have adversely affected the general, or light, aircraft market.

The move follows the news last week that Moody's Investors Services, the credit rating agency, had lowered the rating of Cessna Aircraft's commercial paper from Prime 2 to Prime 3, making it more difficult to raise money in this short-term money market.

Cessna also announced the lay-off of workers, and indicated that it, too, was having problems moving stocks of completed or almost completed planes. It said that it plans to lay off around 1,500 of its 6,000 employees.

High fuel costs and rising interest rates, coupled with the tightening of credit conditions for the consumer, have all begun to eat into demand for light planes, which had been booming during the past four years.

Gulf oil warning on spending

PITTSBURG — A warning has come from Gulf Oil of a shortage of available cash to finance completely its ambitious 1980 capital spending programme internally, despite sharply higher earnings in fiscal 1979 and the likelihood of further gains this year.

Mr. Jerry McAfee, the chairman and chief executive said that the need for outside financing will increase if Gulf acquires any offshore leases or makes any other unbudgeted expenditures in 1980.

The major constraint on uses of internally generated cash is an increase of up to $500m in the company's 1980 working capital requirements.

The need for more working capital arises from sharply tighter credit terms imposed by oil-exporting nations on which Gulf is heavily dependent. The newly-adopted windfall profits tax law also requires oil producers to pay the tax more than two months before they collect revenue from the sales of oil products.

These obligations, Mr. McAfee said, will tie up a portion of the company's internally-generated cash in "non-productive uses."

Mr. McAfee said that in all Gulf is "more or less $300m short" of the $3bn the company plans to spend on capital projects, mainly oil and gas development, in 1980.

AP-DJ

Kaiser Aluminum forecasts higher profit

By Our Financial Staff

FIRST QUARTER earnings of Kaiser Aluminum and Chemical Corporation will be significantly higher than the $1.38 a share earned in 1979, according to Mr Cornell C. Maier, chairman. Results for the first six months will also exceed last year's levels, he said.

Kaiser, the third largest integrated aluminium producer in the U.S., earned $2.84 a share in the first half of 1979 on sales of $1.51bn.

Mr Maier was less optimistic on the longer term future, however, saying that the outlook was uncertain in the face of the expected recession, inflation and possible economic action by the Carter Administration in advance of the presidential election in November.

Kaiser expects to be able to sell all the aluminium it can produce. The company's north-west U.S. aluminium operations are currently operating at only 85 to 90 per cent of capacity because drought problems have cut hydroelectric power supply. Worldwide, Kaiser's operations are running at about 95 per cent of capacity.

The company plans to spend $154m over the next three years to increase efficiency at its alumina plant in Baton Rouge, Louisiana. The proposals involve the adition of more heat exchangers to allow the recovery and re-use of heat from the production process, which will result in a 25 per cent energy saving.

Kaiser said that its capital structure is capable of supporting the increased capital spending plans, and it does not expect to make any short-term borrowings this year. Kaiser is also looking for acquisitions for its industrial chemical business.

The group is studying a recent price increase by Aluminum Company of America, which took ingot prices from 66 cents a pond—Kaiser's current level—to 72 cents. Kaiser is currently in talks with the Administration's Council for Wage and Price Stability over possible prices increases.

Fred S. James may link with UK insurance broker

BY JOHN MOORE

FRED S. JAMES of the U.S., the world's sixth largest insurance broker, has hinted that it may invest in a London-based insurance broker.

In its annual report, the company says that although it continues to work with several London brokerage firms, because it believes that an exclusive arrangement would curb its ability to "do the best job for our clients," it adds, "this policy does not preclude our investing in a London firm, and we are carefully considering these opportunities as they present themselves."

Fred S. James points out that it has formed an underwriting agency in a joint venture with Alexander Howden, the London insurance broker with large Lloyd's interests, which has been heavily involved in reinsurance activities.

"This agency will manage the underwriting of reinsurance business in and around the New York Insurance Exchange," America's answer to Lloyd's of London, the company says.

Fred S. James' total revenues in 1979 rose by 16 per cent to a record $165.6m from $143m in 1978.

Gains in straight dollar bonds

BY PETER MONTAGNON

STRAIGHT DOLLAR Eurobonds posted gains of ½ point on average as the market seemed to show some resilience in the face of the 20 per cent prime rate posted by some leading U.S. banks.

Dealers said that business was relatively quiet as the Easter holidays approached. Most business was professional, and there was apparently some short-covering ahead of the break.

Meanwhile, the Eurobond market is also benefiting from a demand for quality, especially at the longer end. This is overriding yield considerations. Further support is derived from the belief, at least in some quarters, that interest rate may not hold at these levels for long.

There are at present no new straight issues on offer, but in the floating rate note sector, where prices yesterday were little change overall, Chemical Bank International is expected vestmentton now itewkewkedw to launch a $30m, five-year issue for Colombia's Banco Cafetero later this month. Interest will be fixed at a ½ per cent over the six-month Libor.

The D-Mark sector saw a ¼ per cent decline in prices yesterday as several issues were marked down in response to the World Bank DM300m issue, which bears a coupon of 10 per cent. Demand for this issue was very strong according to bankers in Frankfurt, but it left some other lower-yielding bonds exposed.

Meanwhile, Deutsche Bank announced plans to float a $200m (or the equivalent amount in Deutsche-marks) option loan through its Luxembourg subsidiary. Approval for the transaction will be sought at the forthcoming annual meeting of the bank, and no details are yet being made available.

Prices on the Swiss franc market were up ½ point yesterday. Banque Gutzwiller Kurz Bungener said the forthcoming 10-year issue by the Dutch paper company Buehrmann Tetterode will bear a coupon of 7 per cent, priced at par. The amount has been set at a minimum of SwFr 40m and a maximum of SwFr 50m.

$210m medium-term loan for Panama

BY OUR EUROMARKETS STAFF

A $210m., eight-year medium-term credit for Panama was signed this week in London, according to First Chicago, the agent bank.

The loan was originally projected at $150m, but the amount was raised because the margin at 1½ points over Libor attracted good demand.

Among other deals, Orion Bank has received a mandate to manage a $20m co-financing deal with the Interamerican Development Bank for Argentina's Industrias Metalurgicas Pescarmona.

This will be a "club" deal. It bears a spread of ⅝ per cent for the first six years and ¾ per cent for the remaining four.

Orion is also managing a DM 50m, six-year credit for Autopistas Vasco Aragonesa of Spain. This bears a spread of 1⅜ per cent, but the operation carries no guarantee.

● The $150m credit for Romania's foreign trade bank reported yesterday is being led by Abu Dhabi Investment Company and not the National Bank of Abu Dhabi.

Euromarket activity helps expansion at Eurobraz

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

EUROPEAN Brazilian Bank, the London consortium bank with shareholders which include Bank of America, Banco do Brasil, Deutsche Bank, Union Bank of Switzerland, and Dai-Ichi Kangyo, reports a 22 per cent increase in 1979 pre-tax profits to £6.7m. The balance sheet shows total assets are 14 per cent up at £441m, with loans showing an 11 per cent increase to £328m.

A dividend of 4 per cent for a total of £506,000, was paid out during the year.

Dr. Oswaldo R. Colin, the chairman, says that Eurobraz expanded its Euromarket activity during the year, appearing in several bond issues.

"The prospects for 1980 look promising for Eurobraz, and despite the adverse world economic conditions that look like staying with us for a while yet, the bank should be able to show a continuity of the growth trends"

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	25.3.80	1.4.80	AVERAGE YIELD	25.3.80	1.4.80
DM Bonds	86.22	86.46	DM Bonds	10.047	10.004
HFL Bonds & Notes	84.34	84.49	HFL Bonds & Notes	11.381	11.308
U.S. $ Strt. Bonds	80.96	79.97	U.S. $ Strt. Bonds	12.771	12.997
Can. Dollar Bonds	82.91	82.87	Can. Dollar Bonds	13.317	13.347

Rise in silver and copper lifts Carlisle

CINCINNATI — Carlisle Corporation, which manufactures a diverse line of rubber, plastic and metal products, wire and cable and radio control equipment, expects first quarter profits to climb more than 30 per cent from 1979 levels. This is due to strong business in most divisions of the group, backed by sharply higher prices for silver and copper during most of the quarter, states Mr. Malcolm C. Myers, president.

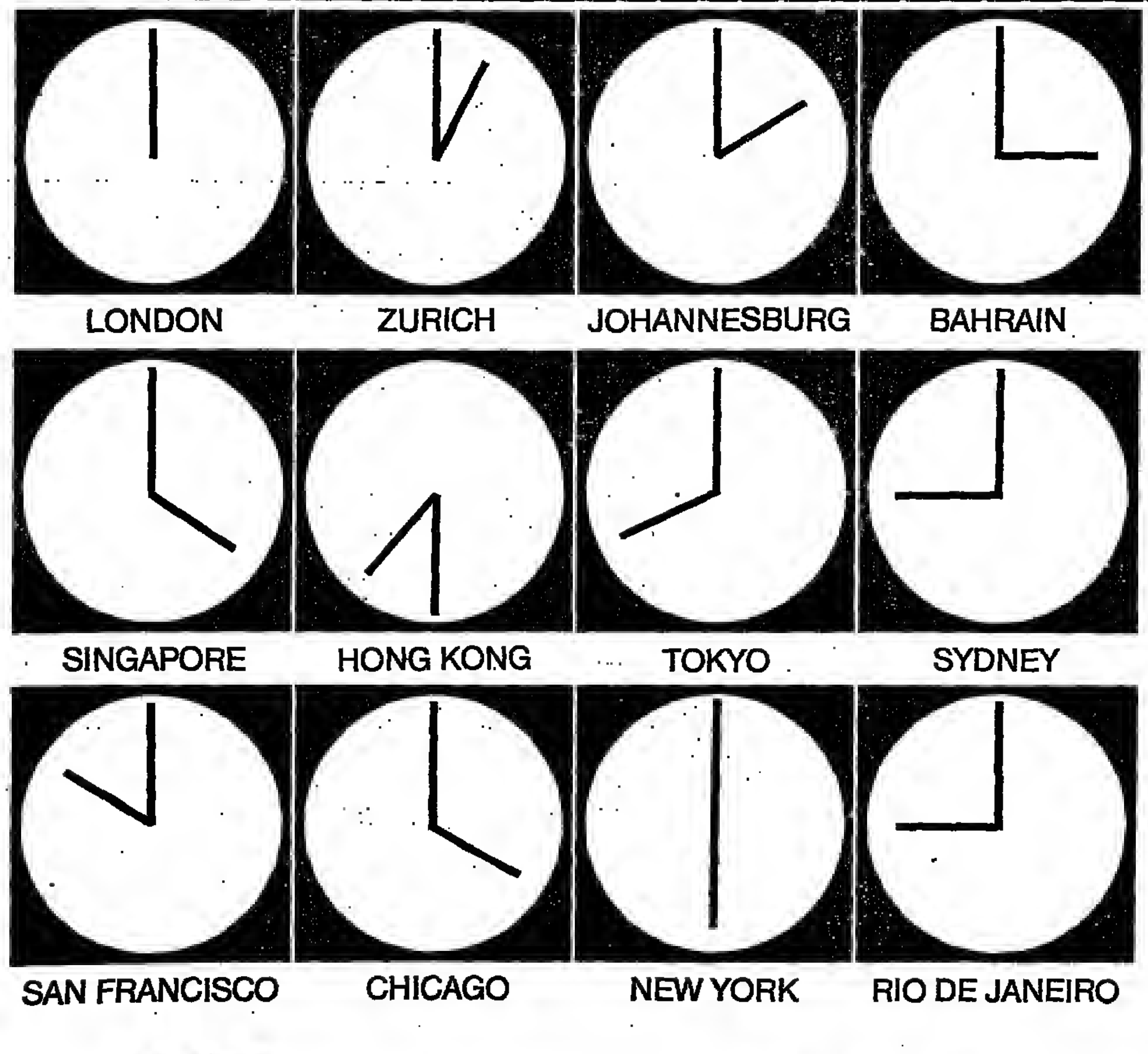
Profits for the March 31 quarter are expected to be around $6.3m or in the area of $1.35 a share—up from $4.7m or $1.03 a share a year earlier.

Sales for the quarter jumped almost 40 per cent to about $108m from $77.5m in the corresponding 1979 period, Mr. Myers said.

If the impact of silver and copper prices were removed, sales for the quarter would have risen around 20 per cent with half of that due to unit volume increase and the other half reflecting higher prices, Mr. Myers pointed out.

Meanwhile, the group's unfilled order backlog is about $88.7m up from both $79.6m at the beginning of 1980 and $54.4m a year ago.

AP-DJ



U.S. QUARTERLIES

AMERICAN HOIST AND DERRICK

First quarter	1980 $	1979 $
Revenue	152.4m	125.7m
Net profits	5.6m	4.3m
Net per share	0.94	0.75

CHESSIE SYSTEM

First quarter	1980 $	1979 $
Revenue	471.6m	399.7m
Net profits	20.3m	8.3m
Net per share	1.01	0.47

CORNING GLASS WORKS

First quarter	1980 $	1979 $
Revenue	355.5m	330.1m
Net profits	26.31m	33.99m
Net per share	1.49	1.92

DATA GENERAL

Second quarter	1980 $	1979 $
Revenue	146.7m	112.4m
Net profits	12.7m	12.2m
Net per share	1.21	1.19
Six months		
Revenue	283.8m	217.4m
Net profits	24.9m	23.9m
Net per share	2.36	2.34

HART SCHAFFNER AND MARX

First quarter	1980 $	1979 $
Revenue	184.6m	171.3m
Net profits	7.73m	8.81m
Net per share	0.90	0.78

KAUFMAN AND BROAD

First quarter	1980 $	1979 $
Revenue	113.2m	98.2m
Net profits	3.5m	2.6m
Net per share	0.28	0.19

TEKTRONIX

Third quarter	1980 $	1979 $
Revenue	285.9m	237.8m
Net profits	20.77m	23.18m
Net per share	1.14	1.28
Nine months		
Revenue	715.3m	576.4m
Net profits	60.58m	55.62m
Net per share	3.33	3.09

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on April 2

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	82¼	82¾	−0⅛	+1⅛	13.40
Alex Howden XW 9½ 91	30	†66	68	+0¼	−2	16.01
Australian Res. 9⅞ 84	30	84	84½	0	+0⅜	14.75
Avco O/S Cap. 10¾ 87	40	74¾	75¼	0	−1	16.52
Beneficial Fin. 9⅝ 87	100	79⅝	80⅛	−0⅛	+0½	14.35
CECA Grad. Rate 12 86	100	88⅜	88⅞	+0¼	+0⅜	14.71
CECA 11⅛ 90	50	86	86½	−0⅛	+0⅛	14.27
Canadian Pacific 9¾ 89	50	80¾	81¼	+0⅛	+0⅞	13.51
Carter Hawley 8¾ 86	50	87⅞	88⅜	+0⅛	+0⅛	14.41
Comalco Inv. E. 10¼ 91	40	87⅜	87⅞	+0⅛	+2¼	13.49
Continental Grp. 9¾ 86	100	87½	88	+0⅛	+1	14.26
Dome Petroleum 10 94	50	77¾	78¼	0	+0⅛	13.54
Dominion Bridge 10⅜ 84	30	87⅛	87⅝	0	+0⅛	14.42
EIA 11¾ 92	80	85⅛	85⅞	+0½	+0¼	14.32
EIB 10.15 99	100	†73½	75	0	+0¼	14.56
Ekportfin 11⅛ 87	50	88⅜	88⅞	+0⅛	+0⅜	13.92
Export Dv. Cpn. 9⅜ 84	100	84¼	84¾	+0⅛	+0⅜	14.72
Export Dv. Cpn. 9¾ 84	150	84½	85	+0⅛	+0⅞	14.63
Finland 9⅜ 89	100	†76⅜	76⅞	+0⅞	+0⅛	14.75
GTE Finance 9½ 89	55	79¾	80¼	+0⅛	+0⅞	13.68
GMAC 9⅝ 86	100	81	81½	0	+0⅛	13.93
GMAC O/S Fin. 11 84	100	89½	90	0	+0⅛	14.08
Gould Int. Fin. 9¾ 85	50	83⅝	84⅛	0	+0⅝	14.47
ITT Antilles 9½ 89	75	77⅞	78⅜	0	+1⅛	13.87
Kennecott Int. 9½ 86	100	80⅜	80⅞	−0⅛	+1¼	14.46
Manitoba 9½ 89	75	78¼	78¾	+0⅛	+0⅝	13.83
Michelin 10 94	125	77¾	78¼	+1¼	+3½	13.52
Nat. Des. Telecm. 9½ 86	100	87¾	88¼	0	+0⅜	14.04
New Brunswick 9¾ 94	75	74	74½	+0⅛	+0½	14.05
Newfoundland 10 84	50	79⅛	79⅝	+0⅛	+1¼	13.33
Norges Komm. 9⅝ 99	100	†73⅛	73⅝	0	+1¼	14.34
Norway 9½ 84	150	84¾	85¼	+0½	+1	14.62
Nova Scotia Pwr. 9¾ 89	50	80¼	80¾	0	+0⅜	13.59
Occidental Fin. 10¾ 84	50	†86½	87	+0½	+0½	14.69
Pennwalt O/S F 9¾ 84	25	85	85½	+0⅝	+1⅛	14.70
Pepsico Cap. 9⅞ 84	100	85¼	85¾	+0⅛	+1⅛	14.28
Quebec Hydro 10 99	75	75¾	76¼	+0½	+1⅛	13.56
Sears Roebuck 8 82	150	89⅝	90⅛	+0⅛	+0⅜	15.61
Statoil 9⅝ 99	100	79½	80	+0¼	+1⅛	13.55
Sweden 9¾ 89	100	79½	80	+0⅜	+1	13.78
Sweden 9½ 86	200	†81⅞	82⅜	+1⅛	+1¼	14.43
Sweden 9⅜ 84	100	84⅝	85⅛	+0¼	+1	14.53
Unilever NV 9¼ 87	100	80⅜	80⅞	0	+1	13.64
Warner-Lambert 8 84	100	83⅞	84⅜	+0¼	+0⅝	14.28

Average price changes... On day +0⅛ on week +0⅞

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	89½	90¼	−0⅛	−1¼	8.95
Asian Dev. Bk. 7¼ 89	100	80⅜	80⅞	0	+0⅛	10.93
Australia 8⅛ 90	250	94⅜	95⅜	−0⅛	−0⅛	8.94
Barclays O'seas 6¾ 89	100	79¾	80¼	−0¾	+1⅛	10.18
BFCE 7¾ 87	100	90¼	91	−0⅛	+0¼	8.69
BFCE 8⅛ 95	100	86⅝	87⅜	−0⅛	+0⅝	8.82
Brazil 8 87	190	87⅛	87⅞	−0¾	+0⅛	10.61
CECA 7 91	150	82⅝	83⅜	−0⅛	−0⅛	8.56
Council of Eur. 7¼ 86	100	86	86¾	−0½	−0½	8.56
Denmark 7⅞ 86	100	89	90	+0⅛	0	10.35
Denmark 8⅞ 92	100	87	88	−0¼	+0¼	10.10
EEC 7⅞ 84	225	87⅛	87⅞	+0⅛	+1⅛	8.48
EIB 7½ 88	250	85⅝	86⅛	+0¼	+2¼	8.88
Finland Rep. of 8 86	150	90⅞	91⅝	−0¼	−0⅛	8.83
Kobe, City of 7½ 89	150	82⅜	83⅛	−0⅛	−0½	10.01
Neder. Gasunie 8 86	100	92⅝	93⅛	0	+1½	8.45
New Zealand 7⅞ 87	200	85¾	86½	−0⅛	+0⅛	9.82
Norges Komm. 7¾ 91	150	86½	87⅛	−0⅛	+1⅛	8.99
Norway 7½ 85	250	92⅝	93⅛	−0⅛	0	8.37
OKB 7⅛ 89	100	82⅝	83⅛	+0⅛	+0⅛	10.24
Oslo, City of 8¾ 90	80	†93¼	94¼	−1⅛	−1⅛	9.76
World Bank 7¾ 91	400	83½	84⅛	−0⅛	0	10.22
World Bank 7⅞ 90	250	87⅝	88⅛	−0⅛	+0⅛	8.83

Average price changes... On day −0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	87½	88	+0⅛	+1¼	7.36
Aumar 5 89	60	84½	85	−1⅛	+0⅜	7.32
Australia 3⅜ 89	250	81¼	81¾	+0⅛	+2¼	6.39
Bergen, City of 4¾ 91	40	84¾	85	0	+1¼	6.72
BNDE 5 89	75	79	79½	−2½	+1¼	8.28
BMW Overseas 4¾ 91	100	87	88	+0½	+4¾	5.76
Caisse Nat. Tele. 4⅛ 89	100	85	85½	+0½	+2¼	8.52
CCCE 5¾ 90	100	97	97½	+1	+2⅛	8.13
Copenhagen 4½ 91	60	78½	79	+0¾	+2¾	7.29
Council of Eur. 5 88	100	80	80½	+3⅛	+5⅛	8.38
EIB 4½ 91	100	78	78½	−1	−1⅛	7.42
EIB 4¼ 94	100	79¼	79½	+1⅛	+0¼	8.64
Elet. de France 4¾ 89	100	86½	87	+1	+0¾	8.29
GZB 4¼ 88	100	84½	85	0	+0⅛	8.43
Hilti 4½ 81	35	90	90½	+0¼	+6	5.40
Int.-Amer. Dev. 4½ 89	100	81½	82	+0⅛	+1½	7.25
Jutland Tele. 5½ 90	50	95	95½	+0⅛	+2⅛	6.15
Malaysia 5 89	80	85	85½	0	+1⅞	7.18
Nippon Tel. & T. 4¼ 89	100	85½	86	−0½	+3	8.28
Nordic Bank 5 89	45	88½	89	0	+0⅛	6.65
Norges Komm. 4⅛ 91	100	80½	81	−0⅛	+0⅛	6.84
OKB 3¾ 81	100	76	76½	−0⅛	+2⅝	6.91
OKB 4⅛ 91	100	80⅜	81	+0⅛	+1⅛	6.82
OKB 6 90	100	99½	100	+0⅝	+0⅛	6.03
Oslo, City of 4⅝ 91	100	80	81	+0⅝	+0⅜	6.87
Shikoku El. Pwr. 4¾ 89	100	88½	89	−0⅜	+4	6.37
Steweag 4¼ 91	80	84½	85⅛	−0⅝	+0⅜	6.70
Voest-Alpine 4¾ 89	80	86½	87	+1	+1½	6.73
World Bank 4⅝ 89	100	87	87½	+0⅛	+2	6.48
World Bank 4½ 89	150	81½	82	+0⅛	+1⅛	7.08
World Bank 4⅝ 91	100	80½	81	−0½	+0½	7.11

Average price changes... On day +0¼ on week +1⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 93	30	81⅞	82¼	0	+1⅜	12.01
Australia 6½ 88	20	72⅞	73⅞	0	+0⅝	11.74
EIB 7¾ 89	12	79½	80½	0	−1⅛	11.29
Finland 5.6 83	10	80	80⅜	−0⅛	−2¼	12.70
Finland 8.8 88	10	74⅜	75½	+0⅛	−1⅞	11.75

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10¼ 86 C$	25	79	80	0	−0¼	15.68
Bell Canada 10¾ 86 C$	50	85¼	85¾	−0⅛	0	14.28
Cr. Foncier 10¾ 84 C$	30	85	86	0	+0⅛	15.01
Ex. Dev. Cpn. 10 84 C$	50	86	86½	+0⅛	+0½	14.65
Fst. Can. Inv. 10 84 C$	50	85	86½	0	+0¼	15.03
Hudson Bay 10½ 89 C$	60	78	78½	0	−0⅝	16.05
Quebec 10¼ 86 C$	50	82⅞	84⅛	+0⅛	+1⅛	14.61
R. Bk. Canada 10 86 C$	40	84⅝	85⅛	−0⅛	+0⅛	13.80
R. Bk. Canada 10 94 C$	40	75⅛	75⅞	−0⅛	+0⅛	14.05
Copenhagen 8¾ 91 EUA	20	87	89	0	−0⅛	10.69
M. Bk. Dnmk. 9 91 EUA	25	89½	91	0	−2¼	10.47
SOFTE 8¼ 89 EUA	40	82	84	0	+1⅛	11.36
U. Bk. Nrwy. 9½ 90 EUA	18	97½	98½	−0⅛	−0⅛	9.82
Algemene Bk. 8¾ 84 Fl	75	91⅛	91⅝	+0⅞	+0⅛	10.72
Ned. Gasunie 8¾ 84 Fl	50	90⅛	90⅝	+0½	+0⅛	11.73
Ned. Middbk. 8⅞ 84 Fl	75	90⅜	90⅞	+0⅜	+0⅜	11.38
Norway 8¼ 84 Fl	100	90¾	91¼	+0½	+0⅛	11.18
Norway 8¼ 84 Fl	100	91⅛	91⅞	+0¼	+0½	10.66
Philips Lamps 8⅝ 84 Fl	75	87⅜	87⅞	+0⅛	+0⅜	11.10
Air France 11 84 FFr	120	89⅞	90⅜	+0⅛	+0⅜	14.04
CECA 14¾ 86 FFr	150	98⅜	98⅞	+0⅛	+0⅜	14.67
Euratom 9⅞ 87 FFr	150	79⅜	80⅛	−0⅞	−0⅛	14.45
Finland 11 84 FFr	80	88⅜	89	+0½	+0½	14.54
Finland 11½ 89 FFr	70	83½	84½	−0⅛	−0⅛	14.68
Gaz de France 11 84 FFr	150	89¾	90½	+1¼	0	14.01
IBM France 11⅞ 84 FFr	120	90	90¾	0	+0¼	14.79
Renault 9¾ 85 FFr	100	81¾	82½	−0¼	−0⅞	14.84
Saint-Gobain 9¾ 86 FFr	130	80½	81¼	0	+0⅛	14.88
Solvay et Cie 9¾ 87 FFr	125	76⅝	77⅜	−0⅝	−0⅝	15.26
Citicorp O/S 13½ 90 £	50	90⅛	91	+0⅛	−0⅞	16.38
EIB 11½ 91 £	25	82	82¾	+0¼	+1⅛	14.79
Finance for Ind. 13 91 £	15	87½	88½	+0¼	+0⅛	15.32
Fin. for Ind. 12½ 89 £	30	85⅞	86⅜	+0⅞	+0½	15.34
Fin. for Ind. 14½ 88 £	20	95⅛	95⅞	0	−0⅛	16.51
Gen. Elec. Co. 12½ 89 £	50	89⅜	90⅛	+0⅛	+0⅜	14.62
Indonesia 8¾ 91 KD	7	†93	93½	0	0	8.75
Mitsubishi 7½ 84 KD	10	†89⅝	90⅛	0	−1⅞	10.42
Norges Kom. 7½ 89 KD	12	†93⅛	93⅝	0	0	8.53
Occidental 8¼ 87 KD	7	†90⅛	90⅝	0	0	8.68
Akzo 9¾ 87 LuxFr	500	83¾	84¾	+0⅛	−0⅛	12.69
Euratom 8 87 LuxFr	500	77½	78½	0	0	13.01
Euratom 9¾ 88 LuxFr	500	87¼	88¼	+0⅛	+0⅜	12.26
EIB 9¾ 88 LuxFr	600	89⅞	90⅞	+0⅛	+1⅛	11.66
Volvo 9¾ 87 LuxFr	500	86¾	87¾	+0⅛	+0⅛	12.51

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¾ 87	0¼	96¼	96¾	2/7	15⅛	15.67
Banco di Roma Int. 6 87	0¼	98⅞	99⅜	26/4	15¾	15.93
Bank of Ireland 5¾ 88	‡0¼	96⅝	97⅛	21/6	16⅜	16.65
Bank of Tokyo 5¾ 89	‡0⅛	97	97½	25/4	14.56	14.97
Barclays O/S Inv. 5 90	0¼	98⅜	98⅞	13/6	14⅝	14.75
Bergen Bk. A/S 8 89	‡0¼	96½	97	29/5	17¼	17.83
Bque. Indo Suez 5¾ 89	0⅛	96¾	97¼	11/7	14.89	15.14
Citicorp O/S F. 6 94	‡0⅛	99	99½	8/6	18.81	18.95
Citicorp O/S F. 83	§‡0	99	99½	23/5	16.06	16.12
Citicorp O/S F. 84	‡0	99⅜	99⅞	30/5	16.94	17.02
C. Itoh 5¾ 87	0⅛	98⅜	98⅞	18/8	19.44	19.71
Co-operative Bk. 6 86	0⅛	97¼	97¾	15/5	15.06	16.45
Creditanstalt 5½ 91	§‡0¼	98⅜	98⅞	14/6	18.44	18.69
CNT 5¾ 86	§0¼	99⅜	99⅞	16/4	15.12	15.28
GZB 5½ 89	‡0⅛	97¼	97¾	1/6	14⅝	15.00
Jugobanka 8 88	0⅞	92	93	23/6	16	17.30
Ind. Bank Japan 5¾ 87	0¼	98	98½	15/4	14⅛	14.50
LTCB Japan 5¾ 86	0¼	96⅞	97⅜	13/8	14¼	14.71
LTCB Japan 5½ 89	0⅛	96⅛	96⅝	7/8	14.18	14.70
Mfrs. Han. O/S 5¾ 94	‡0⅛	98⅜	98⅞	30/5	17⅛	17.39
Midland Intl. Fin. 5 88	0⅛	97⅝	98⅛	20/8	15	15.33
Nacional Fin. 6¾ 86	0⅛	96½	97	25/7	14.69	16.12
Nat. West. 5¾ 94	§0⅛	97⅞	98⅜	11/4	14.94	15.26
Nippon Credit 6½ 86	0⅛	95½	96	12/7	14.44	15.08
Nippon Credit 5¾ 87	‡0¼	96¾	97¼	5/5	14.68	15.12
Royal Bk. Scot. 5¾ 94	§‡0¼	98⅜	98⅞	11/4	14⅝	14.83
Soc. C. de Bque. 6½ 87	0¼	97⅜	97⅞	3/4	13¼	13.57
Sogenal 5¾ 88	§0¼	96½	97	13/7	14.44	14.92
Standard Chart. 5¾ 90	0¼	97¾	98¼	8/9	17¼	17.60
Sweden 8½ 91	‡0¼	†96½	97	18/4	14.44	14.80
TVO Pwr. 9 91 (D-lock)	0¼	96½	97	24/5	15.31	15.83
Williams & Glyn 5¾ 91	0⅛	87⅞	88	14/8	18½	18.93
Bq. E. d'Alg. 4¼ 89 SF	0⅛	†87	89	18/6	6.69	7.80

Average price changes... on day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅛ 89	10/79	145	101	102	0	−10.26
Ajinomoto 7¾ 95	2/80	618	85¾	86¾	−0⅛	−0.68
Alco Int. Fin. 9½ 94	1/80	40	†83¼	84¼	+0¼	25.23
Asahi Optical 7 94	11/79	605	78¾	79¾	−4	12.12
Canon 6¾ 94	8/79	570	94	95	−2	6.10
Ciba-Geigy O/S F. 4 94	8/79	675	60½	62	+0¼	−1.23
Credit Suisse 4¾ 93	10/79	1325	82⅞	84⅛	−0⅝	−7.62
Daiei Inc. 6½ 94	11/79	1020	87½	88½	−1⅛	34.95
Enserch Fin. 9½ 94	7/80	30.25	98	99	+0⅛	6.44
LPC Internatl. 8 89	9/79	23.33	82⅞	84⅛	0	14.42
Maidensha Elec. 7 94	12/79	219	†84	85	−1½	10.44
Mitsubishi Cp. 6½ 94	10/79	604	111¼	112½	−0¼	26.33
Nippon Seiko 7¾ 94	12/79	339	93⅞	94⅞	+0⅛	2.53
Nitto Elec. Ind 6 94	7/79	735	†61½	63	−1⅛	−1.13
Toshiba Con. 7¾ 94	10/79	198	85¼	86⅛	−0⅛	7.38
Union Bk. Switz. 5 89	2/80	125	92½	93½	−0¼	−13.54
Fujitsu 5 84 DM	7/79	475	88⅝	89⅝	0	6.11
Kansai Elec. 4 84 DM	4/79	1234	80⅞	81⅞	+0¼	47.16
Tokyu Ld. Co. 4 86 DM	4/79	493	71	72	0	40.82
Uny Co. 6½ 85 DM	11/79	1071	86⅝	87⅝	0	32.42

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL COMPANIES and FINANCE

WEST GERMAN CHEMICALS

Final quarter setback for Bayer

BY KEVIN DONE IN FRANKFURT

BAYER of West Germany, one of the world's leading chemicals companies, yesterday announced surprisingly poor profit figures for 1979 as a result of unexpected setbacks in the final quarter of the year.

Group pre-tax profits for the group worldwide grew by only 5.5 per cent last year to DM 1.5bn. At the end of the third quarter Bayer reported group pre-tax profits of DM 1.17bn, a 43.5 per cent increase over the first nine months of the previous year.

In the final quarter pre-tax profits amounted to DM 167m compared with DM 426m in the final quarter of 1978.

The poor performance in the final quarter results from three major factors: the slump into losses by Agfa-Gevaert, the Belgian-German photographic group which is now owned 60 per cent by Bayer; currency losses; and a weakening of earnings from major Bayer foreign subsidiaries, particularly in the U.S.

Agfa-Gevaert is still to report its final results for 1979, but the figures are expected to make grim reading. Mounting financial pressures on the company last year, caused chiefly by the rapid increase in silver prices, led tn the need for a major injection of new funds earlier this year.

Bayer, which until February this year had owned 50 per cent of Agfa-Gevaert, had to bear the full burden of the capital-raising involving the injection of DM 200m nf new funds. As a result it now holds 60 per cent of the photographic group.

In addition Bayer was hit in the last quarter of 1979 by the depreciation of various currencies against the Dentsche Mark—particularly in Brazil—and by the disappointing performance of various foreign subsidiaries.

More than its major rivals in the West German chemicals industry, Bayer ia hugely dependent on overseas markets, drawing some 70 per cent of its sales from exports and local foreign production.

The special factors cost Bayer some DM 150m in pre-tax profits in the final quarter, the company said yesterday.

This fall in the final three months of the year has left Bayer behind its major West German rivals. BASF and Hoechst. BASF, which is more engaged in basic petrochemicals, bas already announced a rise in group pre-tax profits of 48.2 per cent in 1979 and a rise in world sales of 20.5 per cent.

Bayer puahed up its worldwide sales last year by 13.9 per cent to DM 26bn, and the special factors wbich depressed its profits performance in tbe final quarter sbould not disguise the fact that 1979 brought substantial progress in most sectors of the business. In contrast to profits, sales in the last qnarter of the year were 13.6 per cent up

Bayer AG, the parent company, boosted its pre-tax profits by 17.3 per cent (compared with a rise of only 3.5 per cent in 1978) with salea increasing by 14.5 per cent to DM 11.4bn.

The major cnntribntion to the sales increase came from exports—up by 19 per cent—while domestic sales rose by 7.9 per cent. Fully 61.6 per cent of the parent concern's sales went in exports, up from 59.2 per cent of sales in 1978.

The substantial improvement in the performance of the parent concern has come from aolid increases in volume sales which have led to plants working at much improved capacities.

Bayer said yesterday that new orders in the first quarter of 1980 were holding uo well, and it appeared satisfied with progress made so far in the current year.

Metallgesellschaft on road to recovery

BY OUR FRANKFURT CORRESPONDENT

FRANKFURT-based metals, engineering and transport group, Metallgesellschaft, has made substantial progress in the first five months of the current year, following a sharp drop in earnings for 1978-79.

World sales, including overseas subsidiaries, rose by some 23 per cent. Profitability has not matchad this growth, but improvements had been shown in all sectors, Herr Karl Gustaf Ratjen, chief executive said yesterday.

Metallgesellschaft is planning to introduce fully consolidated world accounts for the current year ending September 31, 1980. According to present unaudited figures, world sales last year rose by some 9 per cent to DM 8.6bn, comparad with DM 7.9bn. Sales excluding overseas subsidiaries totalled DM 7.9bn, a rise of 11 per cent, and there was an appreciable improvement in the group's operating result.

Net earnings, however, showed a sharp dip of 18 per cent to DM 19.9bn, compared with DM 24.5bn the previous year, and an unchanged dividend of DM 4 per share is being paid.

The fall in net income was caused by the need to make special provisions for risks involved in ventures with Iran and in tha chrome ore trade with Turkey. The company bad to make further write-offs as a result of restructuring work in the loss-making metala processing sector.

In bte current year, a sharp increase in sales and new orders had belied earlier, more cautious, forecasts, said Herr Ratjen. But he warned that activity might slow in the fourth quarter of the year.

Sales increases had been achieved in all the different divisinns—chemicals, process plant (the Lurgi subsidiary) processing and metals—ranging from 19 per cent in metals to 23 per cent in chemicals.

The metala division, which accounts for some DM 3.8bn of group sales, had benefited particularly in the early months of the business year from rising prices on the metals markets, particularly for silver and lead.

Lurgi, after landing a number of major orders from Cbins last year, is working to capacity.

The rate at wbich new orders bave been taken this year bas slackened after last year's hectic pace, but Herr Ratjen said the profitability of the new work was rather better. Major new orders taken so far tbis year include a direct reduction steel plant for Saudi Arabia.

● Deutsche Bank, one of the big three commercial banks in West Germany, is maintaining its dividend at DM 9 a share for 1979. The bank also announced yesterday that parent company profits last year were DM 283.9m compared to DM 307.2m.

Industrie Pirelli reduces losses

By Rupert Cornwell in Rome

INDUSTRIE PIRELLI, the Italian arm of the Dunlop Pirelli union, yesterday reported a reduced operating loss for 1979 of L18.5bn ($20m) compared to L28.6bn. It is now hoped that the group migbt return to "financial equilibrium" duriog the current year.

The deficit for 1979 reflects the continuing difficulties of the group's tyre sector, wbich under a restructuring plan now being pushed through will be split away from the rest of Industrie Pirelli's activities.

The problem was worst for heavy vehicle tyres. Other activities, particularly the group's cable division, were in the black last year. Cables achieved a 9 per ceot volume increase, while Pirelli is heavily involved in a major telecommunications oetwork order from Libya.

Sales of Industrie Pirelli rose last year by 25 per cent to arouod L1,000bn ($1.1bn), of which exports accounted for 30 per cent. Investments totalled L60bn and depreciation amounted to L42.3bn.

Under the reorganisation scheme approved last autumn by the Government, a consortium of banks will take up L40bn of s planned L65bn capital increase. Apart from the hiving off of the tyre sector, a further L100bn of short term debts will he consolidated at a reduced rate of interest.

During this year the measures should belp reduce financial cbarges for the group, and thus push its overall accounts towards oalanee.

● Italimpianti, the engineering subsidiary of the state owned conglomerate Istituto per la Ricostruzione Industriale (IRI) reports a net profit of L10.8bn ($12m) for 1979, on sales of L512bn ($562m).

The figures uoderline the contrast between Italimpianti itself aod its parent, which is losing around $4.5m per working day as a result of its involvement in steel, shipbuilding and automobiles, through the deficit-ridden Alfa Romeo group.

Orders in band at the end of 1979 had risen to L2,000bn ($2.2bn), reflecting the contract to build a steelworks at Tubarao in Brazil, and confirmation of the major steel project in Iran, at one stage thrown into jeopardy by the Iranian revolution.

Tbe complex, valued at L1,200bn ($1.35bn) will now be constructed at Ispahan.

Rights from FN Herstal

By Giles Merritt in Brussels

FABRIQUE Nationale Herstal, the major Belgian arms-to-aero engines group, has announced a one-for-three offer rights issue at a price of BFr 3,000 per share. Major shareholders like Societe Generale de Belgique bave guaranteed to subscribe the issue.

The issue is intended to relieve FN's debt burden, and its launch comes shortly after the announcement of encouraging figures for 1979. Net profit increased to BFr 148m from a level of BFr 141m recorded for the extraordinary 18-month period up to the end nf 1978.

Turnover was BFr 14.32bn for 1979, as against BFr 16.9bn for the previous 18-month period, caused by a change in FN's reporting practice.

FN has declared an increased 1979 dividend of BFr 190 per share, as against the BFr 225 per share pay-out for the mid-1977 to end 1978 period.

Sharp advance by Saab-Scania

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SAAB CARS made a profit in 1979 for the first time in several years. With a record year for Scania trucks in both sales and earnings, the car division's performance belped the Saab-Scania group to lift last year's pre-tax earnings to SKr 961m ($214m) from SKr 530m in 1978.

Group sales rose by 15 per cent to SKr 13.43bn, as reported in February, and the board proposes to raise the dividend to SKr 7 a share from SKr 4.56, after adjusting for last year's new sbare issue and two-for-one split.

The Saab-Scania shareholders' report emphasises the financial consolidation tha gronp achieved in 1979. A total of SKr 520m was transferred to the untaxed reserves against SKr 131m in the previous year.

The ratio of equity to total capital climbed from 31.8 to 38 per cent through the SKr 813m brought in by the oew share issue and the transfers to the reserves. Group debt was reduced by SKr 584m, which also contributed to the decline from SKr 282m to SKr 209m in net financial charges.

Tha shareholders' report notes improvements in the capital structure of tbe subsidiary cnmpanies as well. During 1979 the share capital of 46 subsidiaries was increased in total by SKr 516m, of which SKr 413m came from sbare issues.

The report gives no profit breakdown, so it is not possible to estimate the size of car earnings. But it must be assumed that Scania trucks and buses continued tn contribute the lion's share of earnings.

Saab sold 81,875 cars last year, an advance of only 7 per cent, but the introdnction of the Saab 900 and turbo engines bas increased profit margins. Car sales totalled SKr 3.8bn, up by 17 per cent. Improved productivity is also credited with a role in the better profit performance.

Sales of Scania trucks and buses were up 26 per cent to SKr 5.88bn and earnings are reported to have kept pace with the sales advance. Turnover on the Volkswagen and Audi cars, for whicb Scania holds the Swedisb agency, grew by 13 per cent to SKr 1.55bn. Eighty-one per cent of trucks and buses were sold abroad. In all 25,399 vehicles were marketed, an advance of 20 per cent.

The aerospace division saw sales drop from SKr 1.1bn to SKr 941m, but in January this year agreement was reached with Fairchild of the U.S. to develon a new 30-seat commuter aircraft.

Swiss National Bank payout

By Brij Khindaria in Geneva

THE SWISS National Bank, the country's central bank, reduced its losses on foreign exchange dealings from SwFr 2.6bn in 1978 to SwFr 1.1bn last year due to relative foreign exchange stability.

The bank, which is partly privately owned and belongs partly to the state, will distribute a dividend of 6 per cent and will hand over SwFr 5m to the Swiss treasury.

Balance sheet total fell from SwFr 46.4bn to SwFr 43.2bn at the end of 1979 while monetary reserves fell by SwFr 4.6bn to SwFr 38.3bn.

Domestic credits by the large banks rose by 16.9 per cent against an average increase of 9.5 per cent for all banks.

Pakhoed ends dividend drought

BY CHARLES BATCHELOR IN AMSTERDAM

PAKHOED HOLDING, the Dutch oil-handling, transport and property group, increased profits substantially last year and proposes resuming dividends.

Net profit rose to Fl27.9m ($13m) in 1979 from Fl498,000 and, taking intn account the improved prospects for the current year, the company plans to pay a dividend of Fl2.10 per ahare. Pakhoed last paid a dividend in 1976 when shareholders received Fl4.20 in casb and shares.

Increased demand for tank storage facilities and a rise in rates led to an improvement in the results of the Paktank Division. The rise in demand for crude oil storage was marked. In the U.S. the result of the tank storage operations also improved, while Empak, the environmental technology division, made a larger contribotion to profits.

In contrast the transport and distribution division deteriorated further. Good results from shipbroking, air freight, specialised road transport, and tank container operations were insufficient to compensate for the downturn elsewbere in the division.

The real estate division suffered a setback due to a decline in house sales in the Netherlanda.

● Retailing group Koninlijke Bijenkorf Beheer expects to maintain last year'a result "reasonably well" in the current 12 months, says the annual report. The worsening economic nntlook however, means that prospects for an increase in consumer spending are "very limited."

Net profits rose by 17 per cent in the year ended January to Fl 28.6m ($1.3m) on sales which were 11 pec ceo thigher at Fl 2.49bn. Operating profit was 13 per cent up at Fl 109.1m with tbe higher rate of net profit arising largely from a lower tax charge. Profits per share eased to Fl 12.01 from Fl 12.04 following a capital increase.

Tha compsny's second half result was adversely influenced by the sever ewinter and mild autumn, which depressed textile sales, and Christmas turnover was disappointing. Changes in the sales range and modernisation work at several stores also depressed sales.

KBB added 14 new outlets to its chain of keenly priced dapartment stores last year, as well as thre enew do-it-yourself centres. It plans to start a new chain of bome furnishing stores later this year or early in 1981.

Further mergers planned by Tor Line

BY WILLIAM HALL, SHIPPING CORRESPONDENT

SWEDEN'S Tor Line is masterminding a series of mergers which will result in the establishment of the biggest ferry company in the North Sea. The moves are aimed at reducing overcapacity and restoring profitability.

Tor Line is jointly owned by Sweden's Salen and Transatlantic shipping groups. It has already announced that it is merging its North Sea operations with Brostrom's Swedish Lloyd service. The new company, which began operations this week, is known as Toy Lloyd.

In addition, Tor Lloyd is to acquire full control of Oden Line, which operates thrae ships. From mid-April it will also take over the North Sea container service of Scania container line. The combined group will handle around 65 per cent of the UK-Swedish trade, accounting for roughly balf the new group's 2m tons of annual traffic.

Competition nn tbe UK-Sweden trades has been the fiercest in the North Sea, and most operators have been losing money. Since 1975 Anglo-Swedish trade bas grown by just 18 per cent, while according to Tor Line estimates, sbipping capacity on the route bas dnnbled. Despite sharply rising fuel prices, freigbt rates for 12m metre trailers bave not increased over the last three years.

Before the merger, Tor Lioe controlled nine ships in the North Sea trades. Brostroms and Swedisb Lloyd had two aach, and Scania and Oden Line three. Under the new arrangements Tor Lloyd will be able to dispose of a couple of vessels while still maintaining the former service frequencies.

Originally, Tor Lloyd was to bave been owned 65 per cent by Tor Line and 35 per cent by Brostroms. However, the partners in Oden Line have been offered a 25 per cent atake and if this is taken up, Tor Line's interest will be rednced to 48.75 per cent and Brostrom's to 26.25 per cent.

Tor Lloyd will bave an annual turnover of SKr 400m, and with s headquarters staff of 135 will be based in Gothenburg. Mr. Martin Lundberg of Tor Line will become chairman of Tor Lloyd, and Mr. Leif Lindholm, also of Tor Line, will be managing director.

Tor Lloyd has taken over Oden Line's important contract with Volvo, the Swedish car manufacturer, and haa signed a new 10-year contract which will be wortb SKr 500m. Altogether, Tor Lloyd will operate a total of 50 ferry sailings a week in the UK/Sweden/Denmark / Continent and Sweden/Continent trades.

Tor Lloyd bas decided to utilise only one of Scania Container Lines' three container service linking South Sweden and Denmar kwith the Continent and the UK.

Scania's estimated turnover in 1980 is SKr 35m and it is expected to carry 20,000 twenty foot equivalent units (TEUs). Scania was only formed a year ago when it took over the North Sea operations of the old established Svea Line.

Scania was one of the very few companies to concentrate on a pure container operatioo, as opposed to carrying containers on the roll-on/roll-off ferries. With rising fuel costs this is a cheaper form of transport since a container ship only burns eight tons of fuel a day compared with the 30 to 35 tons a day for a ro-ro ship of comparabla capacity.

Comalco in NZ$1bn smelter expansion

By Roy Hodson in London and Dai Hayward in Wellington

ONE OF the biggest aluminium smelting complexes in the world is planned in New Zealand by the international aluminium company Comalco.

Comalco is seeking New Zealand Government approval for a NZ$1bn (U.S.$936m) project to build two new pot-lines.

The intention is to extend the company's Tiwai Point smelter which at present bas three pot lines. The eventual capacity of the smelter would be 228,000 tonnes a year.

The project is the latest example of the current strategy of the international aluminium producers to meet a looming shortage of metal in the 1980s by building big smelters near the world's few remaining sources of cheap power. Australia, New Zealand, and some other Pacific Basin locations, are proving particularly attractive.

The New Zealand project would nse surplus electricity which the New Zealand Gnvernment has been offering at a cheap rate in a bid to attract overseas industry to New Zealand's South Island.

Comalco is also prepared to establish three asociate industries producing components and other projects and is forecasting a total work force of 6,000.

Reynolds International bas approached the New Zealand Government with a proposal for a new smelter. Swiss Aluminium and a consortium of New Zealand companies have also put up a proposal.

The new interest in basing large-scale smelter developments on New Zealand's South Island power is not expected to affect the aluminium smelter boom in Australia, where several of the major international producers are going ahead with projects based upon cheap power from giant thermal power stations.

First-half earnings slip for Myer Emporium

BY JAMES FORTH IN SYDNEY

MYER EMPORIUM, Australia's largest department store retailer, has reported a 2.8 per cent dip in profit for the January half year, but the directors said they were pleased with the result. Group profit fell from A$23.3m to A$22.7m (US$24.5m) but the interim dividend is held at 5 cents a share and is covered by earnings of 12.2 cents a share compared with 12.6 cents in same previous period.

The retail industry generally has been hit by sluggish consumer demand and the Myer board believes the group has performed well in the circumstances. Group sales actually rose by almost 11 per cent for the period, from A$607m to A$672m (US$724m).

Mr. Keith Rosenhaim, Myer's chief executive, said the sales increase was the best the group had achieved for the first half in any of the last three years.

He added that Myer had increased its sales in the non-food retail area (the market sector in which it specialises) by 4 per cent, whereas the total Australian market had declined over the period. Myer's market share rose from 4.2 per cent to 4.3 per cent bnt this was still well below the peak of 5.9 per cent achieved in the early 1970s. Mr. Rosenhaim said the group still had a long way to go in improving the return on sales.

More bite for company watchdog

BY OUR SYDNEY CORRESPONDENT

THE PROPOSED new Australian corporate watchdog, the National Companies and Securities Commission, is to be giveo additional teeth to control company takeovers under revised plans. A Bill introduced into the Federal Parliament yesterday will give the NCSC the power to declare certain share purchases and condnct of other kinds "unacceptable."

The NCSC would have the power to declare that the Takeover Code proposed in the legislation applied to a person in a particular case. It would also be able to grant exemptions with or without conditions. The Commission is required to take note of certain guidelines in exercising any of these discretionary powers.

The Commission would also be required to ensure that takeovers took place in an "efficient, competitive and informed market."

New national takeover legislation has been proposed for some time. Bills introduced yesterday contain some amendments, of which the added rule-making power for the NCSC is the major one. A National Securities Bill and a National Companies Act Bill were also introduced, to replace the present state acts.

* * *

THE DIRECTORS of Clifton Brick Holdings bave received written notification from shareholders representing 41.66 per cent of the capital that they have "no intention" of accepting the cash takeover bid from Monier, the building products gronp. However, the Clifton board has delayed making a recommendation on the A$24.4m (U.S.$26.5m) offer until Monier sends out the formal documents, which cannot be before April 9.

Clifton's adviser, the merchant bank, Capel Court Corporation, has been instructed to undertake a detailed evaluation and assessment of Clifton Brick. The family of the late Sir William Angliss have a major stake in Clifton and make up the bulk of the shareholders who have rejected the hid.

Clifton directors also said that they had been informed that a private investment company, Investors Pty, which holds close to 12 per cent of Clifton, had purchased small holdings in Clifton, on January 25 at A$1.05 and March 20 at A$1.20, in the normal course of its investment business, and would continue to do so. The Angliss family controls Investors Pty. Moreover, Mr. Adrian Gibson, the chairman of Clifton, is a member of the Angliss family, and is also chairman of Investors.

Profits fall at Taiyo Fishery

By Yoko Shibata in Tokyo

TAIYO FISHERY, Japan's major fishing and food processing company, suffered a falling operating profits of 62 per cent to Y4.35bn ($17.1m) in the year to January. Net profits were, however, little changed at Y1.05bn.

Sales of the company, which is active overseas with 30 joint ventures, advanced to Y576.55bn ($2.27bn), a 14.3 per cent rise over a year earlier. This was due to the expansion of domestic and overseas purchases of fish, which made up for the decline in Taiyo's own catch. However, the increase in imports did not favour profits because of its extremely low profitability.

In addition, the Y130bn of fish imports brought Y3bn of exchange losses and a 62 per cent fuel cost rise cut profits by Y2.5bn.

With the yen's depreciation and rising fuel costs, operting profits for the current year are expected to fall by 8 per cent to Y4bn, on sales up by 8 per cent to Y520bn.

Downturn at Asia Insurance

By Our Hong Kong Correspondent

ASIA INSURANCE Company, a Hong Kong-based composite insurance gronp has announced net profits for 1979 of HK$14.1m (US$2.8m)—a drop of HK$4.25m, or 23 per cent on the previous year.

Marginal gain at Swire Pacific

BY ANTHONY ROWLEY IN HONG KONG

SWIRE PACIFIC, the diversified group based in Hong Kong and a subsidiary of the John Swire organisation, has announced net profits for 1979 of HK$325.7m (US$63.9m)—marginally ahead of the HK$325.28m of 1978.

Although Swire Pacific had forecast at the interim stage—when net profits were 27 per cent ahead at HK$275.3m—that growth would slow down in the second half, analysts here found the results for 1979 "extremely disappointing."

The company said that the principal factor behind the slower than expected profits growth was the adverse effect of higher fuel prices and the effect of a weaker Japanese yen on the earnings of Cathay Pacific Airways. Swire Pacific has a 60 per cent stake in the Hong Kong-based carrier.

Cathay Pacific, apart from its interests in airlines—it alsn has a 60 per cent stake in Hong Kong Airways and a similar size stake in Swire Aviation—is a diversified bolding company with interests in trading, botels, engineering, ship repairing, offshore services, salvage, towage and snft drinks.

The Hong Kong stock market had been expecting a full year profit of around HK$330m from Swire Pacific. Second-half earnings were some 25 per cent below those achieved in the second half of 1978.

Swire Pacific has, however, met its interim forecast of paying final dividends at least double the interim payout on the "A" shares. A final dividend of 34 cents a share is recommended — exactly double the interim and slightly ahead of the 1978 final dividend of 33 cents. This makes a total for the year of 51 cents against 45 ceots. On the "B" shares, the recommended final dividend is 6.8 cents—again double the interim paynut—and ahead of 1978's final of 6.6 cents. This makes a total for the year of 10.2 cents against 9 cents.

Recovery for Kulim Malaysia

By Wong Sulong in Kuala Lumpur

KULIM MALAYSIA, the plantation group, made a strong recovery from the drought of 1978, to recnrd a pre-tax profit of 17m ringgit ($7.3m) for 1979 representing a 124 per cent improvement. With a lower tax change, the group's net earnings came to 10m ringgit compared with 4.1m ringgitt for 1978.

The pre-tax profit was in line with projections of "not less than 17m ringgit" forecast when the group made a one-for-five rights issoe last August.

The group's output showed a major improvement over the previous year. Palm oil production from its own estates rose from 22,400 tonnes to 32,300 toones, while palm kernel rose from 4,500 tonnes to 7,200 tonnes. Output and purchases of rubber however fell from 8.7m kilos to 7.8m kilos. Prices of palm oil were 10 per cent better than anticipated, while rubber prices averaged 20 per cent higher.

The group is paying a 14 per cent final dividend making 24 per cent for the year, compared with 23 per cent previously.

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CURRENCIES, MONEY and GOLD

Dollar volatile

TRADING WAS ERRATIC in currency markets yesterday ahead of the Easter weekend, and although the dollar finished below Tuesday's levels, it recovered sharply during the afternoon on news of further rises in U.S. prime rates to a record 20 per cent. During the morning the U.S. unit was well bid, but started to lose ground after midday, as investors switched into less volatile currencies ahead of the long weekend. However the prime rate rises prompted a renewed demand for the dollar and against the D-mark it finished at DM 1.9510, down from Tuesday's level of DM 1.9705, but above its lowest level of the day of DM 1.9450.

Similarly against the Swiss franc it closed at SwFr 1.8525, down from SwFr 1.8525, but up from SwFr 1.8460 earlier in the day. The Japanese yen continued to weaken however, and the dollar finished at Y257, its highest level since September 1977, and compared with Tuesday's close of Y254.4. On Bank of England figures, the dollar's trade weighted index fell to 91.6 from 91.8.

Sterling was generally firmer, and its trade weighted index rose to 72.7 from 72.3. Against the dollar it opened at $2.15 and fell to a low during the morning of $2.1410. By noon it had recovered to $2,1450, and as the dollar came on offer, so sterling rose to a best level of $2.1610. But with the dollar's recovery it fell back to close at $2.1545-$2.1555, still showing a rise of 1.25c from Tuesday. However sterling failed to show any appreciable gains against major European currencies, which tended to suggest that the dollar's late rise was not reflected fully in the Bank of England's currency indices.

Elsewhere the D-mark required considerable support within the EMS as did the Belgian franc, with both currencies quoted close to their maximum permitted divergence against the strongest currency within the system, the French franc.

D-MARK—Weaker within the European Monetary System and against the dollar following expectations of a continuing balance of payments deficit in Germany, and effects of anti-inflation measures and higher interest rates in the U.S.—There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt, when the dollar was fixed at DM 1.9664, down from Tuesday's level of DM 1.9770. Trading tended to diminish ahead of the Easter holidays, and the D-mark recovered some of its recent losses against other major currencies. The Swiss franc was lower at DM 1.0531 against DM 1.0548 and the French franc eased to DM 43.385 per FFr 100 from DM 43.40. Sterling, however, continued to improve, being fixed at DM 4.22 compared with DM 4.2170 on Tuesday.

BEGIAN FRANC — Normally weak within the EMS, but continued central bank intervention and record interest rates have lifted the franc well above its lowest permitted level within the system—The Belgian franc recorded mixed changes in Brussels yesterday, declining against its EMS partners, but improving against sterling and the U.S. dollar. The dollar fell to BFr 31.5025 from BFr 31.68 and sterling was lower at BFr 67.63 compared with BFr 67.645. On the other hand the D-mark rose to BFr 16.0327½ from BFr 16.0305, and the Danish krone was higher at BFr 5.169 against BFr 5.1605.

THE POUND SPOT AND FORWARD

April 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1410-2.1610	2.1545-2.1555	0.13-0.23c dis	−1.00	5.65-0.75dis	−1.30
Canada	2.5620-2.5815	2.5840-2.5850	0.40-0.30 pm	1.84	1.45-1.35 pm	2.18
Nethlnd.	4.58-4.63	4.58½-4.59½	3-2c pm	6.53	8-7 pm	6.53
Belgium	67.35-67.96	67.40-67.50	10c pm-par	0.89	21-11 pm	0.95
Denmark	13.06-13.16	13.11½-13.12½	1½-2¾ore dis	−1.89	7¾-9¾ dis	−2.57
Ireland	1.1180-1.1225	1.1215-1.1225	0.04p pm-par	0.21	0.16-0.10 pm	0.46
W. Ger.	4.19½-4.23½	4.20¼-4.21¼	3¾-2¾pf pm	8.91	8¾-7¾ pm	7.84
Portugal	110.40-111.20	110.90-111.15	15-30c dis	−2.43	70-95 dis	−2.97
Spain	157.50-157.85	157.70-157.80	70-120c dis	−7.23	210-220 dis	−5.45
Italy	1,931-1,957	1,952-1,953	par-2 lire dis	−0.61	4¾-6¾ dis	−1.18
Norway	11.14-11.21	11.19½-11.20½	4¾-3¾ore pm	4.02	10¾-9 pm	3.44
France	9.68-9.76	9.68¼-9.69¼	4¾-3¾c pm	4.64	10¾-9¾ pm	4.15
Sweden	9.64-9.70	9.68¼-9.69¼	4-3ore pm	4.33	11¾-10¾ pm	4.44
Japan	548-556	553½-554½	2.10-1.70y pm	4.11	4.35-3.95 pm	3.00
Austria	30.05-30.35	30.08-30.13	20-17gro pm	7.37	60-53 pm	7.51
Switz.	3.98½-4.02½	3.99-4.00	4¾-3¾c pm	11.64	11½-10½ pm	11.01

Belgian rate is for convertible francs. Financial franc 69.70-69.80. Six-month forward dollar 1.10-1.20c dis, 12-month 5.70-5.80c dis.

THE DOLLAR SPOT AND FORWARD

April 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1410-2.1615	2.1545-2.1555	0.13-5.23c dis	−1.00	0.65-0.75dis	−1.30
Ireland†	1.9130-1.9210	1.9200-1.9210	0.05c pm-0.05 dis	—	par-0.10 dis	−0.10
Canada	1.1900-1.1998	1.1900-1.1903	0.37-0.34c pm	3.57	1.12-1.02 pm	3.59
Nethlnd.	2.1270-2.1620	2.1270-2.1290	1.48-1.39c pm	7.97	4.28-4.19 pm	7.87
Belgium	31.29-31.64	31.29-31.31	7-5c pm	2.31	20-16 pm	2.31
Denmark	2.0675-6.1060	6.0675-6.0690	5.25-0.75ore dis	−5.99	2.00-2.50dis	−1.48
W. Ger.	1.9450-1.9735	1.9505-1.9515	1.63-1.53pf pm	9.72	4.45-4.35 pm	9.02
Portugal	51.38-51.60	51.38-51.48	5c pm-10 dis	−5.68	20pm-30dis	−0.39
Spain	73.10-73.50	73.10-73.15	30-55c dis	−6.97	75-95 dis	−4.65
Italy	905.75-911.50	905.75-906.50	1 lire pm-par	0.66	1 pm-par	0.22
Norway	5.1960-5.2120	5.1960-5.1980	2.00-1.50ore pm	4.04	5.10-5.60 pm	4.50
France	4.5070-4.5270	4.5080-4.5120	2.15-2.00c pm	5.55	6.25-5.95 pm	5.44
Sweden	4.4950-4.5000	4.4965-4.4980	2.20-2.00ore pm	5.60	6.50-6.30 pm	5.69
Japan	256.00-257.60	256.95-257.05	1.05-0.90y pm	4.55	2.65-2.80 pm	4.01
Austria	73.93-14.08	13.93-13.94	15.40-9.60 gro pm	8.57	32.50-30.00pm	8.93
Switz.	1.8460-1.8720	1.8520-1.8530	2.01-1.93c pm	12.76	5.71-5.63 pm	12.24

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 1	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.580019	5.600008
U.S. $	13	1.24008	1.28132
Canadian $	14	1.48425	1.53579
Austria Sch.	6¼	17.5599	18.0794
Belgian F.	14	38.2857	40.6050
Danish K	13	7.60283	7.86475
D'Mark	7	2.45164	2.33547
Guilder	9½	2.57795	9.75893
French Fr.	9½	3.64724	6.84023
Lira	13	1130.98	1168.55
Yen	9	310.640	324.686
Norwgn. Kr.	8	5.48314	5.69365
Spanish Pts.	8	81.0281	94.2537
Swedish Kr.	10	5.60033	6.80243
Swiss Fr.	5	9.32019	2.40503

CURRENCY MOVEMENTS

April 2.	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.7	−32.4
U.S. dollar	91.8	−2.4
Canadian dollar	81.1	−17.6
Austrian schilling	150.2	+22.2
Belgian franc	115.5	+13.0
Danish kroner	104.4	−5.5
Deutsche mark	150.7	+48.5
Swiss franc	187.0	+72.1
Guilder	124.1	+18.3
French franc	98.5	−6.4
Lira	52.7	−50.8
Yen	114.0	+13.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

April. 9	£	$		£ Note Rates
Argentina Peso	3746-3755	1744-1753	Austria	29.95-30.80
Australia Dollar	2.0060-2.5100	0.9525-0.9335	Belgium	69.40-70.00
Brazil Cruzeiro	99.90-100.90	46.50-46.80	Denmark	13.02-13.08
Finland Markka	8.66-8.38	5.9215-3.9235	France	9.64-9.70
Greek Drachma	90.172-92.298	41.50-41.70	Germany	4.19-4.22
Hong Kong Dollar	15.94-15.95	8.0770-5.0810	Italy	1815-1975
Iran Rial	n/a	n/a	Japan	553-558
Kuwait Dinar(KD)	5.588-0.599	0.2768-0.2769	Netherlands	4.58-4.51
Luxembourg Frc.	67.40-67.50	51.29-31.31	Norway	11.12-11.18
Malaysia Dollar	4.9725-4.9825	2.3080-2.3110	Portugal	107½-109½
New Zealand Dlr.	2.5015-2.5565	1.0695-1.0705	Spain	132¼-139¾
Saudi Arab. Riyal	7.59-7.18	5.3300-3.3320	Sweden	9.60-9.66
Singapore Dollar	4.9500-4.9600	2.2875-2.3005	Switzerland	3.98½-4.51½
Sth. African Rand	1.7445-1.7455	5.8095-0.8100	United States	2.1475-2.1588
U.A.E. Dirhem	7.96-8.06	3.7370-3.7390	Yugoslavia	50¼-52¾

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5974	+2.03	+0.96	±1.53
Danish Krone	7.72336	7.87528	+1.97	+0.90	±1.64
German D-Mark	2.49208	2.53249	+2.03	+5.96	±1.125
French Franc	5.84700	5.83378	−0.23	−1.30	±1.3557
Dutch Guilder	2.74362	2.76646	+0.83	−0.24	±1.512
Irish Punt	5.668201	0.674368	+0.92	−0.15	±1.668
Italian Lira	1157.79	1172.89	+1.30	+5.74	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 2.	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.155	4.208	554.0	9.688	3.995	4.590	1953.	2.565	67.45
U.S. Dollar	0.464	1.	1.932	257.1	4.496	1.854	2.130	906.5	1.190	51.35
Deutschemark	5.238	0.512	1.	131.7	2.308	0.949	1.091	464.1	0.515	16.05
Japanese Yen 1,000	1.805	3.890	7.595	1000.	17.49	7.211	8.285	3524.	4.629	121.8
French Franc 10	1.032	2.225	4.343	571.9	15.	4.124	4.738	2015.	2.647	69.63
Swiss Franc	0.250	0.538	1.053	138.7	2.425	1.	1.149	488.7	0.642	16.88
Dutch Guilder	5.218	0.469	0.917	120.7	2.111	0.870	1.	425.4	0.559	14.69
Italian Lira, 1,000	0.512	1.104	2.155	283.7	4.962	2.046	2.351	1005.	1.313	34.56
Canadian Dollar	0.390	5.840	1.641	216.0	3.778	1.558	1.795	761.4	1.	26.30
Belgian Franc 100	1.485	3.195	6.238	821.3	14.36	5.923	5.805	2895.	3.802	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.85-18.95 per cent; three-months 18.05-19.15 per cent; six months 18.85-18.95 per cent; one year 17.40-17.50 per cent.

April 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	18-18¼	18-18¼	8½-9½	15¼-10½	8¼-2¾	8¾-8⅞	12½-12¾	18-14	18¾-18⅞	12-12½
7 days' notice	18⅜-18⅝	18⅜-18⅝	8½-9½	10¾-11	3⅛-3⅝	9¼-9⅝	12½-12¾	14½-17½	18⅞-19	12¼-18¾
Month	18¼-18½	18 19¼	14⅞-15¼	15¾-11	6-6⅛	9⅞-9½	13 1/16-13 7/16	18½-19½	19⅛-18¼	14-14¼
Three months	18⅜-18¾	19 1/16-19 11/16	13⅜-13⅝	11¼-11⅛	7-7⅛	10 1/16-10¼	13¾-14	19-20	19 5/16-19 11/16	15-15¼
Six months	18⅜-18⅝	18 1/16-19 1/16	15⅜-15⅝	11⅞-12⅛	7 5/16-7 9/16	15½-10⅝	14⅜-14⅝	19-19¾	19 5/16-19 9/16	14⅞-15
One year	17½-17⅝	17½-17¾	15-16⅜	18¼-12⅝	7 5/16-7 9/16	10⅜-10½	14⅝-14⅞	19-25	17¾-17⅞	13⅛-13⅜

Long-term Eurodollar two years 15⅞-16⅛ per cent; three years 15¾-15⅞ per cent; four years 15⅝-15⅞ per cent; five years 14⅞-15⅛ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Dutch rates firm

Intervention to support the guilder against the dollar by the Dutch central bank in the foreign exchange market, has led to a tightening of liquidity in the Amsterdam money market. In common with several other central banks, including the German Bundesbank, the Dutch authorities have intervened heavily in an attempt to stem the dollar's advance, and this plus the maturing of Fl 193m in currency swaps, and a pre-Easter rise in the domestic note circulation, has pushed up interest rates. Market liquidity is controlled by the authorities through a quota system, and under normal conditions the banks would be well placed having used only 21 per cent of the present quota in slightly less than half the set period of the facility. Conditions have been complicated by the strength of the dollar, however, while at the same time the Dutch Treasury may be forced to take steps to avoid a cash shortage for the authorities by drawing on central bank funds or issuing Treasury bills.

On the otherhand the situation should be relieved around the middle of the month when payments of Fl 1bn are due on the latest Government bond issue.

In Amsterdam yesterday interest rates rose by about ¼ per cent, with call money at 10¾-10¾ per cent, compared with 10½-10¾ per cent.

In Frankfurt interest rates were firm, and call money was quoted at 9.00-9.50 per cent, compared with 9.00-9.20 per cent.

In Paris rates continued to ease, with call money falling to 12¼ per cent from 12½ per cent.

In Tokyo the Bank of Japan announced increases in officially controlled bank deposit rates from April 14, following the recent rise in the central bank discount rate to 9 per cent. Rates on three-month deposits will go up to 6 per cent from 5 per cent; one-year deposits will rise to 7¾ per cent from 7 per cent; and ordinary demand deposits will increase to 3¼ per cent from 2¾ per cent.

MONEY RATES

NEW YORK

Prime Rate	19½-20
Fed. Funds	18⅞-19
Treasury Bills (13-week)	14.88
Treasury Bills (26-week)	14.74

GERMANY

Discount Rate	7
Overnight Rate	9.25
One month	9.30
Three months	10.15
Six months	10.50

FRANCE

Discount Rate	9.5
Overnight Rate	12.25
One month	13.475
Three months	13.0625
Six months	13.3125

JAPAN

Discount Rate	9
Call (Unconditional)	12.25
Bills Discount (three-month)	13.8125

GOLD

Quiet trading

Trading was very subdued in the London bullion market yesterday ahead of the Easter weekend, and gold finished at $498-$504, a fall of just $2 an ounce from Tuesday. Trading for most of the day took place around the $500 level. However after the close of business in London, news of further rises in U.S. prime rates to a record 20 per cent saw the metal weaken somewhat, and in New York it was quoted at $492.

In Paris the 12½ kilo bar was fixed at FFr 73,250 per kilo ($503.37 per ounce) compared with FFr 73,250 ($503.49) in the morning and FFr 73,000 ($498.52) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 31,775 per kilo ($502.97 per ounce) against DM 32,000 ($504.66) previously. The metal was quoted at $499-505 at the close, hardly changed from Tuesday's figure of $501-506.

In Zurich gold finished at $497-504, compared with $493-500 previously.

	April 9		April 1	
Gold Bullion (fine ounce)				
Close	$498-504	(£230¾-233¾)	$500.60e	(£234.950)
Opening	$498-504	(£231¼-234¼)	$500-505	(£257.973)
Morning fixing	$498	(£232.027)	$501.50	(£224.950)
Afternoon fixing	$500.50	(£232.143)	$509.50	(£237.973)
Gold Coins				
Krugerrand	$513-518	(£238-241)	$517-522	(£241½-244½)
Mapleleaf	$505-515	(£24-239)	$510-525	(£238-243)
New Sovereigns	$128-151	(£59¼-60¾)	$128-131	(£59¾-61¼)
King Sovs	$148-151	(£68-71)	$141-145	(£66-68)
Victoria Sovs	$148-151	(£68-71)	$141-149	(£66-68)
French 20s	$124-128		$119-123	
50 pesos Mexico	$622-628		$625-635	
100 Cor. Austria	$488-498		$495-505	
$20 Eagles	$605-615		$605-615	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Heavy shortage

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave very large assistance by buying a small amount of Treasury bills from the discount houses, and a small number of local authority bills for resale to the market at a fixed future date. The Bank of England also purchased a moderate amount of eligible bank bills for resale, and lent a moderate amount overnight at Minimum Lending Rate to two or three houses.

Banks brought forward moderate surplus balances, and there was a moderate surplus of Government disbursements over revenue payments to the Exchequer.

These factors were outweighed by the resale to the market of a large number of bank bills and local authority bills, a small net take up of Treasury bills, a small rise in the note circulation, and settlement of gilt edged purchases.

Discount houses paid 17 per cent for secured call loans at the start, but closing balances were taken at around 15 per cent.

In the interbank market overnight loans opened at 18-18¼ per cent, and eased to 17-17½ per cent at lunch, before falling sharply to 8-10 per cent at the close.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

April 2 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-18¼	—	—	—	17½-18	15-17	—	—	—
2 days notice	—	—	18¼-18½	—	—	—	—	—	—	—
7 days or 7 days notice	—	17⅞-18⅜	18⅛-18⅝	—	18⅜	18-18¼	16⅞-17	—	—	—
One month	18¼-18 7/16	18⅛-18½	18⅜-18⅝	19½-19⅛	18⅝	18¼-18¾	16¾	16 3/32-16⅛	18	18⅝
Two months	18⅜-18 7/16	18¼-18⅝	—	19⅛-18⅝	18¾	—	16¾	16¼	17⅞-17 15/16	18¼
Three months	18⅜-18 7/16	18 7/16-18⅝	18⅛-18⅝	19-18½	18¾	18¼-18¾	16¾	16 7/16	17¾-17 15/16	18⅛
Six months	18 1/16-17 15/16	18-18¼	18⅛-18¼	17⅞-17⅝	18⅝	18¾	—	—	15¾	17½
Nine months	17⅝-17 1/16	17 7/16-17¾	—	18-17⅞	18⅛	—	—	—	—	—
One Year	17⅛-16¾	17-17⅜	17½-17¾	17⅛-17⅛	17⅞	18½	—	—	—	—
Two years	—	—	16⅞-17½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 16¾-16⅞ per cent; four years 16-16⅞ per cent; five years 16 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17⅞-17½ per cent; four-month trade bills 17⅞ per cent.

Approximate selling rates for one-month Treasury bills 16 per cent; two-month 16 3/32-16⅛ per cent; three-months 16 7/32-16¼ per cent. Approximate selling rates for one-month bank bills 17¾-17⅞ per cent; two-months 17¾-17 13/16 per cent; three-months 17⅞-17 13/16 per cent; one-month trade bills 18⅞ per cent; two-months 18 per cent; and three-months 17⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 16 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.2838 per cent.

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WORLD STOCK MARKETS

Firmer early Wall St. trend

STOCKS ON Wall Street were firmer-inclined in further moderate early trading yesterday.

The Dow Jones Industrial Average edged up 2.05 to 786.32 at 1 pm and the NYSE All Common Index put on 20 cents to $58.03, while gains outpaced declines by about a seven-to-four ratio. Trading volume came to 21.41m shares, compared with Tuesday's 1 pm level of 23.33m.

Analysts said the increase in the Prime lending rate to a record 20 per cent by several major banks yesterday morning was expected and had no influence on the market.

Bache were up ⅛ to $8½. The Securities and Exchange Commission last night lifted its suspension of trading in Bache, the brokerage group at the centre of the recent silver crisis.

Marathon Oil gained $1 to $56. A subsidiary operates a North Sea well which tested oil and gas. On the American Exchange, Bow Valley advanced $2¾. A subsidiary is a participant in the well.

Boeing rose 1⅞ to $54⅞. All Nippon Airways has signed a $1bn contract with Boeing to buy 40 Boeing aircraft.

GPU hardened ⅛ to $4⅛. A subsidiary has received a $34.2m rate increase.

THE AMERICAN SE Market Value Index gained 1.85 to 236.21 shares (2.04m). at 1 pm on volume of 1.91m

Applied Devices, which re-opened for trading after being halted since January 29, fell 1⅛ to $2⅞. The company said the U.S. Naval Air System Command is claiming excess reprocurement costs of $9.3m.

Most active Resorts International were up 1⅛ to $26⅞, followed by Delhi Oil, up 1⅞ to $26⅞.

Canada

Shares displayed an easier tendency yesterday morning in moderate activity. The Toronto Composite index shed 2.9 to 1804.9 at noon, while Golds lost 10.5 to 2,709.7 and Metals and Minerals 3.8 to 1,841.1, but Oil and Gas gained 19.6 to 3,913.7. In Montreal, Banks receded 1.88 to 295.19.

Tokyo

With fresh buying interest stimulated by the easing of margin trading restrictions from yesterday, stocks were inclined to gain ground in another fair turnover, reversing Tuesday's broad setback on the yen's weakening against the U.S. dollar.

The Nikkei-Dow Jones Average rebounded 60.18 to 6,562.99, while the Tokyo SE index recouped 2.13 to 452.53. Advances outscored falls on the First Market section by 348-to-239, while volume totalled 340m shares (320m).

Speculatives, Oils, Motor Components, Coals and some other Natural Resources led the rally. Issues related to nuclear power business also moved ahead, while Blue Chips were generally higher.

Teikoku Oil rose Y30 to Y1,060, Nippon Oil Y40 to Y2,100, Showa Oil Y29 to Y374, Mitsui Mining Y22 to Y851, Kanto Denka Kogyo Y62 to Y572, Sony Y20 to Y1,730, Honda Motor Y6 to Y562, Yamaha Motor Y33 to Y575 and Mitsui Y5 to Y326.

Some large-capital issues, however, were easier, with Mitsubishi Heavy shedding Y6 to Y170, Mitsubishi Electric Y2 to Y187 and Heiwa Real Estate Y2 to Y564.

Germany

The recent recovery movement continued in reasonably active trading, with the Commerzbank index adding 2.4 at 677.1.

The Chemicals sector was buoyed by Bayer's announcement that pre-tax gains for the parent company rose 17.3 per cent in 1979 and pre-tax for the group increased by 13.9 per cent. much improved results and a Bayer rose DM 1.80 and BASF DM 1.60.

Among Motors, Daimler advanced DM 5 and Volkswagen DM 1.20. Kaufhof led the Stores sector with a gain of DM 5.

AEG, in Electricals, at DM 77, recouped DM 6 of its sharp fall of the past week which has followed the capital reorganisation.

Elsewhere, Preussag put on DM 2.50, Kali und Salz DM 3.50 and Lufthansa DM 2.50.

Australia

Shares tended to improve on a revival of foreign support, especially in the Mining and Oil sectors, but turnover was still relatively light. The Sydney All Ordinaries index gained 10.34 to 781.21 and the Metals and Minerals index 71.50 to 4,744.42.

Stronger base metal prices helped Metal Minings, while Golds further picked up on the recent rally in the world bullion price. Western Mining put on 5 cents to A$4.00 and North Broken Hill 6 cents to A$2.88, while Central Norseman Gold added 10 cents at A$5.60.

Continuing rumours of another diamond find in Western Australia pushed Diamond Explorers further ahead. Ashton Mining advanced 20 cents more to A$2.80, while Ashton diamond venture partner CRA rose 16 cents to A$5.06.

Rundle Shale Oil partners Central Pacific and Southern Pacific climbed A$5 to A$53 and 70 cents to A$15.50 respectively.

Woodside Petroleum rose 14 cents to A$1.95, BHP 35 cents to A$12.00 and Comalco 15 cents to A$4.35.

Hong Kong

Shares tended to improve in fairly quiet trading on selective buying despite expectations of higher local interest rates. The Hang Seng index gained 6.98 to 791.93.

Cheung Kong were actively bought and advanced HK$1.30 to HK$20.80 in anticipation of possible bonus issue when the company announces its results on April 14. Green Island Cement, in which Cheung Kong has a 30 per cent interest, also met demand and rose HK$1.75 to HK$49.50.

Hang Seng Bank put on 70 cents to HK$84.00, New World 7.5 cents to HK$3.50, Hong Kong Telephone 40 cents to HK$27.20 and Hong Kong Land 30 cents to HK$11.20.

Paris

Bourse prices were firmer for choice on light volume ahead of the holiday weekend, and in the absence of any market-affecting developments other than the continuing downward movement of French money market interest rates, linked to the firmness of the French franc. The CAC General index gained 0.8 to 102.4.

Banks, Portfolios, Foods, Constructions, Rubbers, Electricals, Oils and Chemicals were in demand, while Mechanicals and Stores were mixed. Rises led falls on the French section by 101 to 66.

The day's strong spots included Credit National, Eurafrance, Vineprix, Peugeot-Citroen, Grands Travaux Marseille, Kleber, Perrier, Presses de la Cite, UIS, Bariotechnique, Elf-Gabon, Rhone-Poulenc, Fraissinet, Penarroya and Imetal.

Among those losing ground were Casino, Saunier-Duval, Borel, Prenatal, Generale des Eaux and Majorette.

Johannesburg

Gold shares closed mixed with an easier bias after quiet trading. President Steyn lost R1.10 to R33.90, West Drie 50 cents to R68.25 and President Brand 35 cents to R34.65, but Stilfontein added 30 cents at R15.80 and Vaal Reefs 25 cents at R55.25.

Mining Financials were generally lower, but Platinums were firmer, where tested. Coppers and Industrials were mixed.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

Indices

MONTREAL	Apr. 1	Mar. 31	Mar. 28	Mar. 27	1980 High	1980 Low
Industrial	337.45	336.13	332.46	326.21	428.80 (29/2)	323.21 (27/3)
Combined	311.20	309.81	306.86	306.80	376.05 (28/2)	296.96 (27/3)
TORONTO Composite	1807.8	1797.6	1789.2	1702.5	2152.6 (29/2)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
IBM	495,400	54⅝	−1⅛	Mobil	326,800	65⅞	+⅛
Am. Tel. & Tel.	491,200	48⅞	+⅛	Texaco	322,400	32½	−⅛
Howard Johnson	440,200	15	+⅛	Fed. Nat. Mort.	261,400	14⅛	—
Exxon	423,000	56⅞	−1⅛	Engelhard Min.	258,000	24⅞	−1⅛
Victoria Elec.	422,300	10⅞	−⅛	Eastman Kodak	241,400	48⅞	−⅛

UNCTAD acts to seal cocoa breach

By Brij Khindaria in Geneva

THE UN Conference on Trade and Development (UNCTAD) will make fresh efforts to promote co-operation between cocoa producers and consumers despite the breakdown of the international cocoa agreement.

Expressing regret at the collapse of the pact, UNCTAD Secretary-General Gamani Corea said in a statement he still believes that "it is in the interest of the international cocoa community to continue to search for a solution."

The cocoa pact's collapse has set back UNCTAD's integrated programme of commodities which is aimed at promoting international commodity agreements for about 18 key commodities.

So far negotiations on such pacts were seen mainly as attempts by poor country producers to obtain concessions from consumers.

The prospect has now arisen of the producing countries joining hands, without the consent of consumer countries, to get more control of world markets by co-ordinating their supply policias.

Brazil removes soya export tax

RIO DE JANEIRO — The Brazilian Government has decided to remove its soya export taxes following a meeting with producers, the Planning Ministry said yesterday.

Previously the taxes were 13 per cent for beans, 28 per cent for oil and 5 per cent for meal.

The decision, which was in response to pressure from soya co-operatives, could lead to increased selling Sao Paulo trade representatives said. But it may not have too bearish an impact in Chicago as it has already been partially discounted, they added.

International valnes fell sharply recently on the prospect of South American cropa coming onto the market.

Brazilian soyabean farmers held off selling to exporters and co-operatives recently in protest against the taxes.

Domestic market activity can be expected to increase now farmers' demands have been met in full.

The removal of the taxes will have to be approved by the National Monetary Council but this is regarded as a formality.

The announcement was accompanied by an official statement that the Government would safeguard the internal market through export quotas.

But trade representatives noted the Government ; has alreedy set export quqtas for the 1980-81 year until June of 1m tonnes of beans, 3m tonnes of meal and 150,000 tonnes of oil.

In Washington, Mr. Richard Bell, executive vice president of Riceland Foods, predicted that soyabeans from South America and soyabean products from Western Europe will fill the USSR demand resulting from the U.S. embargo.

Mr. Bell, in a speech at a business outlook conference in Jonesboro, Arkansas, said: "South America will bave more than enough soyabeans to fill the needs of the Soviet Union during the current marketiug year."

The former assistant agriculture secretary added: "It is becoming increasingly clear that the embargo is hurting U.S. farmera much more than it is hurting the Soviet Union. The effect on the Soviet Union is going to be minimal."

Reuter

New rules planned for overseas traders

By John Edwards, Commodities Editor

PROPOSALS to demand more information from overseas brokers and traders dealing on U.S. futures markets are to be considered by the U.S. Commodity Futures Trade Commission at its public session on April 8, it was announced yesterday in Washington.

Explaining the reason for the proposed new rules, Mr. James Stone, chairman of the CFTC, commented: "Unless we can deal with the foreign trader problem, there is no way we can have effectiva regulation."

The debate is likely to reopen the dispute with European traders, who claim that they cannot divulge more information without wrecking the confidential relationship with clients. This particularly applies to Swiss-based companies, but the London markets backed by the UK Government have led opposition to demands.

Following his visit to the London markets last month, Mr. Stone appeared to be more willing to compromise.

David Lascelles on the aftermath of the U.S. silver crisis

Regulators' grip may tighten

ACCUSATIONS are flying to and fro in the aftermath of the Hunt silver affair this week as people try to discover what weot wrong.

Investors hlame the markets, markets blame the regulators, and the regulstors say there was little they could do hecause the boom and bust io silver was quite unprecedented.

But it would be surprising if the affair does not lead to tighter regulation of the huge U.S. commodity markets.

Basically, the issue pits free market-minded New York against Washington where the politicians are regulators think the markets need tighter control.

But there are also people on Wall Street who think the affair has shown that brokerage houses should step more carefully in future.

"It's going to take years for the smell of all this to go away," said one senior broker.

Although Monday's Congressional hearings on the silver market were inconclusive—they were adjourned until April 14 —it is already clear that the Commodity Future Trading Commission hopes to use the silver crisis as a pretext to extend its authority over the markets.

Mr James Stone, the commission's young chairman, told the hearings that the affair had raised "serious questions" about regulation of the commodity markets, and he urged Congress to consider whether the commission needs extra powers.

Mr Stone wants two things, the powar to impose margins on futures trading (at the moment these are only imposed by the commodity exchanges themselves), and the extension of the commission's powers to impose position limits to include all contracts, not just agricultural commodities as now.

At present the exchanges themselves regulate the number of contracts that can be held in non-agricultural markets.

The imposition of stiffer margins is already a contentious issue. Both the New York and Chicago markets slapped higher margin requirements on silver when speculation reached fever pitch a few months ago.

But they only succeeded in driving out the small speculators essential to a liquid market. So trading came to a virtual halt.

There is also a debate over the margins brokers should set for their clients. Unlike stock trading where broker margins are set by tha Securities and Exchange Commission (currently 50 per cent), commodity brokers can set their own margins.

Not only does this produce widely varying margins: it also leads to margin cutting among houses keen to attract new accounts.

This problem was highlighted by the Hunt affair.

The Hunts nriginally had the bulk of their commodity accounts at Shearsoo Hayden Stone, now part of Shearson Loeb Rhoades, the prominent Wall Street brokers.

According to Mr. George Lamborn, director of commodities there, Shearson last June "substantially" increased the margins it required in silver to $25,000 per contract.

The Hunts baulked at this, and eventually transferred their business to Bache where margins wera much lower, about $7,500.

Bache thus won the lucrative Hunt account, though its pleasure must bave been short lived given wbat happened last week. As of Tuesday, the Hunts owed Bache $33m because of silver's collapse.

Mr. Lamborn believes the Commission should create a formula to belp brokerage houses set margins, based on a ratio of the size of s client's positions to the size of a broker's capital.

Whatever bappens, most of Wall Street will be angry if Congress does legislate tougher controls.

$4m repaid to brokerage house

A SECOND brokerage house involved in the Hunt silver crisis said it has been paid money owing to it since last week's collapse in the silver price.

A. G. Edwards of St. Louis, Missouri, announced that it had received the $4m late on Tuesday. Although Edwards has never identified the debtor, it is reliably understood to be the Hunt family.

This means the Hunts beve paid off a total $21m of the $64m they owe to three brokerage houses. Apart from the Edwards settlement, they have repaid $17m to Bache Group. But they still owe $33m to Bache, and $10m to Paine Webber.

Meanwhile, Bache shares resumed trading on the New York Stock Exchange yesterday after their three-day suspension by the SEC. They opened at $8¼, up ⅛ from the halt, but still down from $9¼ before Bache got swept up in the crisis.

Australia hit by drought

SYDNEY—A deepening winter drought is affecting much of Australia, with northern New South Wales and southern Queensland the worst hit.

There has been no significant rain for three months in south Australia. Animal fodder is hecoming scarce and increasing numbers of livestock are being sold.

But it is too early for the drought to be seriously threatening plantings af the 1980-81 grain crops, the agricultural department said yesterday.

But the longer farmers have to wait befora planting, the smaller crop yields will he, it said.

Meanwhile, wool prices were still under pressure in spite of strong support buying by the Australian Wool Corporation, which was taking up to 36 per cent at anctions.

U.S. proposes forum for cotton exporters

BY BRIJ KHINDARIA IN GENEVA

THE U.S. has proposed the creation of an international cotton organisation which would condnct a far reaching programme of research and development, and market promotion to strengthen the cotton growing industry.

The proposal, put forward at talks involving 50 countries in Geneva, immediately ran into criticism from developing countries which supply 33 per cent of the world's cotton exports, compared with the U.S. 27 per cent and the Soviet Union'a 20 per cent.

The U.S. envisages a cotton organisation which would serve as a forum for informal talks among cotton exporters and importers and would go no further than strengthening existing marketing and statistical information.

New negotiations about the proposal will he held here later this year. No date has yet been fixed.

In the talks, which ended last week, the U.S. representative said his country agreed to further meetings on the understanding that its proposal, rather than three other proposals tabled last week, will dominate discussions.

Japan, the world's largest cotton importer, supported the U.S. position.

The Soviet Union has made a proposal very close to the Third World position, which was voiced by Turkey. Both the Soviet Union and developing countries want to regulate the world's cotton market through an international commodity agreement.

This would contain binding economic provisions, incinding the obligation to build up reserve stocks to be used to keep prices within an agreed floor and ceiling. Such an agreement would have to be concluded hefore creation of an international cotton organisation.

Production 'to fall'

By Our Commodities Staff

SUGAR statistician, F. O. Licht, yesterday lowered his estimate of 1979-80 world production to 85,068,000 tonnes—over 2.5m tonnes down on his earlier estimate and 6.4m tonnes lower than 1978-79 output.

Cane production is expected to fall to 51.2m tonnes against 56m in the previous season.

Meanwhile, in Brussels yesterday, the EEC Commission anthorised exports of only 1,500 tonnes of white (refined) sugar. The maximum rebate was unchanged at 10.85 European Currency Units per 100 kilos.

Last week no exports were anthorised by the Commission with traders claiming that the rebates were set too low.

FUTURE OF SUGAR CONFERENCE

Limited threat from fructose syrup

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE THREAT to the sugar market posed by starch-based high fructose syrup (isoglucose) is limited to use in liquid products, it was pointed out yesterday during the second day of the International Sweetener and Alcohol Conference in London.

The conference is jointly sponsored by the Financial Times and World Sugar Journal.

Nevertheless, in the U.S. sales of some 900,000 tonnes of sugar a year could well be lost as a result of manufacturers of major cola drinks allowing a 50-50 mix of high fructose and sucrose, according to Mr. T. C. Earley, formerly senior ataff economist to the U.S. Council of Economic Advisers.

Mr. Earley said high fructose production depends on there being a demand from advanced food processing industries capable of handling syrup, and also on the level of the sugar prices.

He claimed that the high sugar price lists of 1974-75 were a major factor in the development of fructose syrup sales.

But he noted that the supply of maize, used to make the syrups, could also be subject to price changes just as volatile as those of sugar.

Dr. W. M. Nicoll of Tate and Lyle said demand in the developing countries would acconnt for 80 per cent of the expected increase in sucrose consumption.

But in tha developed countries, he expected consumption of sucrose to fall gradually due to anti sugar medical propaganda and the competition from high fructose syrups.

The possihle use of sugar as an energy sourca was explored by several speakers.

Mr. R. A. Yeats of Booker International, pointed out that to be successful in such a project the crop should he self-sufficient for the energy required for processing.

This limited the field to three crops only—sugar cane, sweet sorghum and cassava. There were no really suitable crops which grew in temperate regions.

Although sugar cane was the favoured crop for ethanol production just now, cassava was capable of very rapid expansion, and he foresaw a great increase in its production.

In the long term, he thought that only Brazil had the potential for the production of enough ethanol to replace petrol by the end of the century, while Australia, the Philippines and Taiwan might he able to cover between 5 and 20 per cent of their requirements.

has probaly cut between £3m and

Mr. R. E. Eden of Shell International said the cost of producing vegetative alcohol under present conditions as against ordinary petrol was bigher and existiug engines would have to be adapted.

Mr. Jeffrey R. Box, emphasised the importance of the freight market when studying trends in sugar values.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier on the London Metal Exchange. Forward metal opened at £966 and dipped to £960 on modest pre-weekend liquidation. However, this level attracted support and forward metal edged up to close the morning kerb at £965. In the afternoon the market held reasonably steady above £960 before weakening on the late kerb to close at £957. After hours, however, a flurry of short-covering on Comex lifted that market and boosted three months metal to around £970. In London. Turnover 23,200 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	944-5	−16.5	938-9	−17.5
3 months	964-5	−14	960-1	−14
Settlem't	945	−16	—	......
Cathodes				
Cash	905-7	−18.5	901-3	−18
3 months	936-7	−17	935-5	−14
Settlem't	907	−18	—	......
U.S. Prod.	—	......	*94-102	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £944, 45, three months £967, 68, 67, 66, 65, 64, 63, 65, 66, 65, 64. Cathodes, three months, £939, 37, 36. Kerb: Wirebars, three months £963, 64, 65. Afternoon: Wirebars, three months £962, 63, 62, 61, 63, 64, 63, 62, 61. Kerb: Wirebars, three months £960, 60.5, 60, 61, 62, 62.5, 62, 61, 60, 59, 58, 57.5, 58, 59, 60.

TIN—Lower in idle trading with the only feature of the day's business being offerings of cash material which widened the contango to £60. Forward metal moved narrowly between £7,790 and £7,780 prior to closing the late kerb at £7,785. Turnover 1,745 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7725-35	−72.5	7720-50	−70
3 months	7778-800	+87.5	7780-81	−47.5
Settlem't	7735	−75	—	......
Standard				
Cash	7725-35	−72.5	7720-50	−70
3 months	7780-90	+87.5	7780-800	−47.5
Settlem't	7733	−75	—	......
Straits E.	$2316	+15	—	......
New York	—	......		......

Morning: Standard, cash £7,730, three months £7,800, 7,790, 80. Kerb: Standard, three months £7,790. Afternoon: Standard, three months £7,780. Kerb: Standard, three months £7,780.

LEAD—Down in quiet trading with forward metal dipping to £333 during the morning, reflecting the trend in copper, before recovering during the afternoon to close at £338.5. Influential buying was noted on the late kerb. Turnover 6,850 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	448-50	−11.5	447-9	−9
3 months	436.5-6.6	−7.5	436-7	−4.75
S'ment	450	−12	—	......
U.S. Spot	—	......	*50	......

Morning: Cash £450, 48, 50, three months £436, 36, 34, 35, 36. Kerb: Three months £436, 35. Afternoon: Three months £435, 36, 35, 35.5, 36. Kerb: Three months £437, 38.

ZINC—Barely changed in subdued trading. Forward metal traded in a narrow range before closing the afternoon kerb at £316.5. Turnover 6,425 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	309.5-10	−7.25	309.5-9.5	−2.5
3 months	317-8	−2.5	315.5-6	−2.25
S'ment	310	−8	—	......
Primw'ts	—	......	*59.5	......

Morning: Cash £311, 10, 9.5, 9, 9.5, three months £316, 19, 18. Kerb: Three months £316. Afternoon: Three months £318, 17, 16, 15.5. Kerb: Three months £316.

ALUMINIUM—Lost ground with cash material under heavy selling pressure from one particular quarter. Forward metal opened around £855 and gradually fell away to close the late kerb at £844. Heavy offerings of cash metal prompted a sharp narrowing of the backwardation which came in from £120 to close at £35. Turnover 3,950 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	860-80	−85	878-83	−82
3 months	850-2	−1	847-8	−11

Morning: Three months £854, 52, 50. Kerb: Three months £850. Afternoon: Three months £850, 46, 45, 48. Kerb: Three months £844.

NICKEL—Easier in quiet and routine trading with forward metal finally £3,080 on the late kerb. Turnover 350 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2970-5	−57.5	2970-80	−32.5
3 months	3085-90	−47.5	3080-90	−25

Morning: Cash £2,970, three months £3,080. Kerb: Three months £3,080. Afternoon: Cash £2,970, three months £3,080. Kerb: Three months £3,080.

SILVER

Silver was fixed 93.75p an ounce lower for spot delivery in the London bullion market yesterday at £8.9915. U.S. cent equivalents of the fixing levels were: Spot $14.99, down $2; three-month $16.567, down $1.698; six-month $16.232, down $1.854; and 12-month $17.274, down $1.635. The metal opened at £6.5-7.2 ($14-15½) and closed at £6.7-7.4 ($14½-16).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	699.15p	−94.7	682.3p	+27.5
3 months	724.15p	−78.7	698.0p	+23.5
6 months	753.20p	−77.7	—	......
12 months	803.20p	−76.7	—	......

LME—Turnover 193 lots of 10,000 ozs. Morning: Cash 700. Three months 700, 15, 20. Kerb: Three months 715, 16. Afternoon: Three months 705, 03, 700, 698, 99, 90, 700. Kerb: Three months 698, 99, 95, 98, 700.

COCOA

Cocoa futures continued to ease in quiet trading conditions due to further mixed trade and commission house selling, and closed at the lows of the day with the nearby months in particular under pressure. Producers remained withdrawn and consumer interest was limited to light price-fixing, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
May	1388-89	−9.00	1399-88
July	1392-93	−10.0	1404-92
Sep	1412-13	−6.0	1420-12
Dec	1450-51	−3.50	1439-50
March	1473-79	−4.50	1488-71
May	1490-505	−3.00	1467
July	1,500-40	−40.0	1524

COFFEE

INTERNATIONAL COFFEE ORGANISATION: Prices for April 1, other mild Arabicas 177.33, Robustas ICA 1976 161.00, ICA 1968 161.25, composite daily, ICA 1976 169.17, 20-day average 176.93, Average other milds, Robustas ICA 1968 169.29, Colombian Mild Arabicas 192.50, Unwashed Arabicas 202.50, Composite daily ICA 1968 182.89, other milds (Bremen/Hamburg ex-dock) 192.52.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1607-09	−9.00	1622-92
July	1634-35	−4.50	1644-22
Sept	1657-58	−8.00	1673-50
Nov	1660-62	−7.50	1674-56
January	1635-50	−25.0	1605-49
March	1627-35	−1.50	1640
May	1600-33	−38.5	1634

With no fresh overnight news Robustas tended to follow a late decline in New York overnight. However, early losses were gradually erased with trade buying fuelling the advance in thin volume, reports Drexel Burnham. In the afternoon prices continued to strengthen and producer participation contributed towards a considerable increase in volume and activity. Late profit-taking cut into gains however.

GRAINS

IMPORTED—Wheat: U.S. Dark Northern Spring No 2 14 per cent April £93, May £92.80, June £93.75, July £94.60, Aug. £95.50, Sept. £96.50, Oct. £96.30, Nov. £100.20 transhipment East Coast. English feed fob April £93 east coast. Maize: U.S./French April £116, May £118.50, transhipment east coast. S. African Yellow April/May £78.50. Barley: English feed fob May £98.50, June £100 east coast.

WHEAT Mnth	Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
May	94.10	−0.30	92.45	−0.80
Sept	98.45	−0.15	90.70	−0.10
Nov	96.40	−0.25	93.80	−0.20
Jan	100.35	−0.20	96.25	−0.05
Mar	106.70	−0.35	102.00	−0.35

Old crops opened lower on barley. Wheat saw some initial strength in the morning session but selling pressure eased values back to close 30p down on the day. May barley saw considerable selling pressure and values closed weak 80 down on the day widening the wheat-barley spread. New crops also saw further selling pressure mainly on the distant months and registered losses of 15-35p on the day, reports Acli.

RUBBER

The London physical market opened slightly easier, with little physical interest throughout the day, closing dull. Lewis and Peat reported a Malaysian godown price of 313 (314) cents a kg (buyer, April).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
May	65.00-65.30	66.00-66.10	65.00
June	66.50-66.60	67.50-67.80	66.50-66.00
Jly-Sept	68.90-69.00	69.90-70.00	69.50-68.70
Oct-Dec	73.10-73.20	73.80-74.00	73.80-72.70
Jan-Mar	75.80-75.90	76.40-76.50	76.10-75.60
Apr-Jne	78.30-78.50	76.00-79.30	—
Jly-Sept	80.80-81.00	81.50-82.00	—
Oct-Dec	83.40-83.70	84.10-84.60	—
Jan-Mar	86.50-86.20	86.70-86.90	—

Sales: 263 (503) at 15 tonnes, 24 (13) at 5 tonnes.

Physical closing prices (buyer) were: Spot: 64p (64.5p); May 68.5p (69.25p); June 69.25p (69.75p).

SOYABEAN MEAL

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
April	108.50-9.9	−2	110.20-9.00
June	107.50-7.60	−1.10	108.00-7.00
August	108.50-8.70	−0.60	108.50-8.50
October	108.30-8.40	−0.50	108.30-8.00
December	109.90-9.80	−0.45	108.00-9.60
February	111.50-13.0	−0.50	—
April	115.50-16.0	−0.50	—

The market opened 50p easier on light liquidation, reports T. G. Roddick. Prices drifted further on trade selling and stronger sterling which created new contract lows.

SUGAR

LONDON DAILY PRICE (raw sugar): £205 (£210) a tonne cif for March-April-May shipment. White sugar daily price was £217 (£224).

Prices drifted at the opening in thin conditions but the lows were short-lived and gains of some £3.00 were then recorded. However, the rally was halted later when New York quotations failed to match up, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	221.25-21.15	222.50-22.60	223.50-17.00
Aug	231.75-31.85	233.40-23.50	233.50-27.50
Oct	237.75-38.00	239.00-39.50	240.00-35.00

No. 4 CONTRACT—Close (in order buyer, seller, only): May 223.00-223.75, Aug. 233.25-233.75, Oct. 238.25-239.50, Jan. 245.0-247.0, March 255.00-260.00, May 255.00-260.00, Aug. 255.00-265.00. Sales: 211 (231).

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 1: Daily price 16.47 (17.56); 15-day average 18.56 (16.60).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. May 437.0-438.0, July 447.0-448.0, Oct. 457.0-457.6, Dec. 459.0-unquoted, March 462.0-465.0, May 463.0-465.0, July 470.0-471.0, Oct. 475.0-479.0. Sales: 1,303.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo May 368, 369, Aug. 382, 383, Oct. 382, 389, Dec. 382, 390, Jan. 385, 395, Mar. 395, 403, May 400, 410, Aug. 400, 420. Sales: nil.

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £6.00-7.00, codlings £3.30-5.70; large haddock £4.30-5.20, medium haddock £4.50-5.00, small haddock £2.70-4.00; large plaice £3.30-3.70, medium plaice £3.30-3.70, best small plaice £3.20-3.50; skinned dogfish (medium) £14; lemon soles (large) £8.00, medium £8.00; saithe £2.00-3.20.

*

HIDES—Leeds: Slightly firmer. Second clear ox 31-35.5 kilos 40p a kilo (38p), 26-30.5 kilos 41.5p (38.7p), 22-25.5 kilos 52p (50p). Light cows 44.1p a kilo (39.1p).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 300 tonnes, bringing the total for the week so far to 392 tonnes. Operations were on a larger scale, with further attention centred on North American supplies. Useful support came in African and Middle Eastern growths.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on April 2. GB—Cattle 86.48p per kg lw (+1.11); UK—Sheep 158.8p per kg est dcw (−11.6); GB—Pigs 65.9p per kg lw (−2.6).

PRICE CHANGES

In tonnes unless otherwise stated.

	April 2 1980	+ or —	Month ago
Metals			
Aluminium	£819/815	......	£819/815
Free Mkt	$1850/1880	......	$2150/70
Copper			
Cash w'bar	£938.5	−14.0	£1,170.25
3 mths	£960.5	−14.0	£1,293.5
Cash Cathode	£902	−16.75	£1,263.5
3 mths	£934	−14.0	£1,188.5
Gold troy oz	$501	−2	$717.6
Lead cash	£448	−3.0	£594
3 mths	£436.5	−4.75	£478.5
Nickel	£3,477	+142.0	£3,195.76
Freemkt(cif) lb	288/315c	......	305/330c
Platin'm tr'y oz	£189-193	......	£189
Free mkt	£264.30	−8.80	£400
Quicksil'ver	$400/412	......	$365-405
Silver troy oz	699.15p	−94.75	1701.8p
3 mths	724.15p	−78.75	1759.8p
Tin Cash	£7,736	−70.0	£7,895
3 mths	£7,790	−47.5	£7,963
Tungsten 22.04lb	$141.14	......	$138.72
Wolfrm 22.04lbs	$141/148	−1.0	$138/144
Zinc cash	£309	−8.5	£362
3 months	£315.75	−2.25	£378.5
Producers	$825	......	$760/825
Oils			
Coconut (Phil)	$700	+5.0	$885
Groundnut	‡	......	‡
Linseed Crude	£450	......	£451
Palm Malayan	$610z	+5.0	$676
Seeds			
Copra Philip	$465u	−10	$585
Soyabean (U.S.)	$260.50z	−1.9	$302
Grains			
Barley Futures	£90.7	−0.15	£100
Maize			
French No3AM	£116.50z	......	£117.6
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Milling†	‡	......	‡
Other commodities			
Cocoa ship.t	£1,419	−0.0	£1,534
Future July	£1,392.5	−10	£1,475.5
Coffee F't'r July	£1,634.5	−4.5	£1508
Cotton A.Index	93.5c	−0.6	98.10s
Rubber (kilo)	64.50p	......	72.50p
Sugar (Raw)	£210	+8	£226
Wooltp's 64s kl	300p kilo	......	297pkilo

s June. v May. w April-May. x July. z Indicator. § Buyer. ‡ Per 76 lb flask.

Inquiry opens on relief road plan

PLANS for the Greater London Council's £55m Rochester Way relief road are to be examined at a public inquiry starting next Tuesday at Woolwich. Some 200 objections have been received.

The three-mila, four-lane dnal carriageway is planned to run alongside the railway from Falconwood to Kidbrooke, where it swings north to join the Blackwall Tunnel southern approach. The inquiry is expected to last for two months.

Bass depot

A NEW East Midlands regional headquarters and distribntion depot is to be built on a 15-acre site in Rugby by brewers Bass, Mitchells and Butlers. The development will provide about 340 new jobs.

Train delays nearly doubled

OUT OF every 100 British Rail trains last year 13 reached their destinations more than five minutes late—almost twice the number in 1977. Another three in every 100 scheduled passenger trains were cancelled.

Mr. Frank Higgins, chairman of the Central Transport Consultative Committee, said yesterday: "The public are increasingly losing confidence in the ability of British Rail to operate passenger services as advertised in the timetable." The committee was "gravely concerned."

Camera leaflet

THE Office of Fair Trading leaflet Photography, in the For Your Protection series, is now available from photographic dealers. It explains the rights of the purchaser of all photographic equipment and is hacked by trade associations, manufacturers, distributors, of importers and repairers.

Airport shop

A DUTY-FREE shop is to be opened at Cardiff Airport, Mr. Michael Roberts, Parliamentary Under-Secretary for Wales, has announced. It is hoped to open by Jnly 1.

Fuel stamps plan

THE FUEL indostries are negotiating for the sale of fuel saving stamps through sub-post offices to help consumers, Mr. Norman Lamont, Under-Secretary for Eoergy, said yesterday.

Tunnel D-day

THE SECOND Dartford Tunnel wil be opened on Friday, May 16 by Mr. Bob Daniels, the tunnel joint committee chairman and Mr. Martin Pym, vice-chairman. It cost £36.75m.

Billingsgate Market listed

MR. MICHAEL HESELTINE, Environment Secretary, has added Billingsgate Market to the statutory list of buildings of special architectural or historic interest.

The market, listed Grade II, was built in 1872-73. Sir Horace Jones was the architect. The site has been used as a market since the 13th century.

India cancels jute order

INDIA has decided not to import the 100,000 tonnes of sacking from Bangladesh which the Janata government decided to order last year because of the inadequacy of domestic prodnction.

The government of Mrs. Indira Ghandi cancelled the order because home production was increasing, and the only hold-up was the inadequate number of dellvery wagons, said Jute Commissioner A. K. Mukherjee.

Former Elliott chief's will

SIR Leon Bagrit, former chairman of Elliott-Automation, now GEC-Elliott Antomation, left £2.276m gross (£2.248m net) in his will published yesterday.

Sir Leon, of Upper Grosvenor Street, Mayfair, London, died last April aged 77. He was director of the Royal Opera House, Covent Garden, from 1962 to 1970.

Appeal success

THE Royal National Life-Boat Institution's Mountbattan of Burma Life-Boat Appeal has surpassed by £20,000 the £100,000 needed for a new Medina class life-boat. It intends to use the surplus, together with money still expected, for a second boat.

Night trading

Tha Singapore Gold Exchange will start night trading from today in addition to the day-time trading session.

Reuter

Brazil strike

GENERAL MOTORS, Volkswagen, Chrysler and Ford were among the companiea affected by the Sao aulo metalworkers' strike wbicb began yesterday.

The union representing the GM workers, joined two other stricking nnions in South America's largest industrial area after a last minute meeting hetween labour and management had failed to avert the union's action. There are 225,000 metalworkers in the area.

EUROPEAN MARKETS

ROTTERDAM, April 2.

Wheat—U.S. No. 2 Red Winter April $175, May $173, June $170, July $170, Aug. $173. U.S. No. 2 Northern Spring, 14 per cent, April $180, May $182, June $184, July $185, Aug. $188.

Maize—U.S. No. 3 Corn Yellow April $130-130.50, July-Sept. $137.50 traded, afloat $130, April $130.75, May $131.50, June $132.50, July-Sept. $137.75, Oct.-Dec. $142.50, Jan.-March $150.50.

Soyabeans—U.S. Two Yellow Gulfports April $242, May $245.25, June $250, July $253.75, Aug. $257, Sept. $261, Oct. $263, Nov. $263, Dec. $269.75, Jan. $273.25, Feb. $280, March $282.75.

Soyameal—44 per cent protein U.S. afloat $213, April-May $210, June $214, July $219, Aug. $220, Sep. $224, Nov.-March $236. Brazil Pellets afloat $226, April $222, May $220, June-July $222, Nov.-March $245.

PARIS, April 2.

Sugar (FFr per 100 kilos)—May 2115-2118, July 2145-2160, Aug. 2200-2205, Oct. 2275-2290, Nov. 2260, Dec. 2340-2400, March 2420, May 2470. Sales at call 10.

INDICES

FINANCIAL TIMES

Apr. 1	Mar. 31	M'nth ago	Year ago
284.07	284.47	306.02	270.80

(Base: July 1, 1952=100)

MOODY'S

Apr. 1	Mar. 31	M'nth ago	Year ago
1121.8	1158.3	1405.6	1041.8

(December 31, 1931=100)

DOW JONES

Dow Jones	April 1	Mar. 31	Month ago	Year ago
Spot	391.42	407.89	439.99	373.04
F'tur's	416.02	420.36	459.04	383.41

(Average 1924-25-26=100)

REUTERS

Apr. 1	Mar. 31	M'nth ago	Year ago
1679.8	1706.7	1794.5	1661.0

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Uninspiring day in markets but equities hold steady and Gilts harden further—GKN results please

Account Dealing Dates
Options

*First Declara- Dealings	tions	Last Dealings	Account Day
Mar. 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 8 am two business days earlier.

The two main investment sectors in stock markets put on a rather uninspiring performance yesterday, but the tone was steady to firm. The approaching Easter holiday tended to stifle genuine investment demand and trade was extremely slow throughout the session. Business was again largely taken up by bed and breakfast deals. Yesterday was the last day for such transactions and the effect on trade is well illustrated by total bargains averaging 29,441 over the last three trading days compared with 19,370 over the same period last week.

The continuing rise in U.S. interest rates failed to deter British Funds among which long-dated stocks edged a little higher after the previous day's flurry following the exhaustion of the long tap. The improvement, however, was not accompanied by any worthwhile business and mainly reflected a growing feeling that a new issue would be deferred until after the Easter break.

Underlying sentiment in equities was helped by the calling off of the steel strike but little else lent inspiration to the investment scene, particularly in view of Sir Keith Joseph's gloomy short-term forecasts for British industry. As a result, the majority of leading industrial shares went largely untested. Annual results above recent market estimates from GKN, up 7 at 267p, helped the FT 30-share index to close only 0.3 down at 432.1.

Disappointing results from Willis Faber, down 12 at 235p, prompted a turnround in Insurance Brokers after the previous day's improvement based on speculative demand and hopes that the recovery in the dollar will aid future profits.

Gilt-edged lost a little of the momentum generated on Tuesday by the exhaustion of the long tap stock but picked up to present a firm appearance throughout the list at the close. Short-dated issues were particularly wanted at the start on talk that the Government broker was about to activate the tap at this end of the market. In the event, demand was short-lived as the hopes faded but quotations managed to end ⅛ to ¼ better with the tap, Exchequer 13¼ per cent 1983, that fraction better at £95¼ — still 1¾ points below the level at which it was last activated. Long-dated stocks closed up to ⅜ better with sentiment at this end helped by thoughts that the authorities may defer any replacement of the exhausted long tap because of the existing shortage of liquidity. The Government Securities index put on 0.16 more to 64.98, its highest since February 28.

A diminished business in Traded options saw 384 deals completed. RTZ, annual results due soon, were reasonably active with 94 contracts dealt.

Energy Finance and General Trust made an uninspiring market debut at 34p compared with the placing price of 35p; the shares are dealt under special rule.

Willis Faber fall

A firm sector on Tuesday on bid speculation and in sympathy with the strength of the dollar, Lloyds brokers turned easier following a disappointing set of preliminary figures and an uninspiring statement from Willis Faber which closed 12 down on balance at 235p, after 250p. C. E. Heath declined 4 to 208p, after 207p, while C. T. Bowring, 137p, and Sedgwick Forbes, 97p, relinquished a penny apiece.

Composite Insurances were featured by weakness in Phoenix, down 10 to 208p, following annual profits around £5m. below market expectations. Sun Alliance, however, reported full-year figures in line with general estimates and closed unaltered at 544p, after 536p. Royals drifted down 10 to 315p and Commercial Union 5 to 128p.

A dull market of late following poor results, F.C. Finance revived with a rise of 8 to 60p on speculative demand in a thin market. Elsewhere in Hire Purchases, UDT bardened a penny to 59p with sentiment still bolstered by bid hopes. The major clearers experienced no follow-through to the previous day's demand and consequently drifted lower. Barclays retreated 8 to 402p and Lloyds softened 3 to 297p. Among merchant banks, Kleinwort Benson added 4 to 144p on the results.

Activity in the drinks sector remained at a low ebb with the leaders closing a penny or so firmer for choice. Among Wines and Spirits, Arthur Bell added 4 to 166p, while Highland, interim due next Tuesday, edded a shade better at 124p.

Business in Buildings was generally scrappy, but buying ahead of the annual results due next Thursday lifted Brown and Jackson 35 to 180p in a thin market. John Mowlem attracted interest and added 3 to 94p, after 95p; last year, the preliminary results were announced on April 26. Selective support was forthcoming for housebuilders with Milbury firming 4 to 58p and Gough Cooper adding 5 to 73p. Elsewhere, annual trading statements left Feb International A a penny better at 34p, but clipped that amount from F. J. C. Lilley, 82p. Carron held at 80p despite the increased annual profits. Timber issues turned narowly mixed with International 2 off at 105p. Mallinson-Denny a fraction cheaper at 62½p, but May and Hassell a couple of pence up at 89p. Ibstock Johnsen attracted late support and firmed 3 to 70p. Among the leaders, London Brick, annual results today, held at 74½p, but Blue Circle eased 2 to 292p on lack of interest.

ICI and Fisons, rising markets during the last few days, held the overnight levels of 374p and 268p respectively as fresh support failed to materialise.

Burton up

Burton attracted a useful speculative business and closed 7 better at 126p, with the Warrants a similar amount up at 47p; last year, the interim results were announced on April 10. Elsewhere, leading Stores were quiet and mixed. Mothercare added a couple of pence to 220p, while UDS added a penny to 66p, but British Home fell 2 to 265p as did GUS "A" at 382p. Among secondary issues, Harris Queensway rose 3 to 192p in response to the preliminary results, but Wilkinson Warburton shed 2 to 71p on reduced annual profits. J. Hepworth, interim statement due today, shed a few pence to 62p, while similar falls were seen in Bambers, 76p, and Foster Brothers, 80p. Speculative demand revived for B and Q (Retail), 4 up at 74p.

Helped by a favourable view of the outcome of the Decca bid, Racal encountered occasional support and improved 5 to 218p. Little else worthy of note developed in the Electrical leaders, but BICC advanced to 119p on the better than expected preliminary results before reacting to close only 2 firmer on balance at 115p. Other bright spots included Automated Security, 7 up at 230p, and Unitech, 5 dearer at 275p.

GKN stood out in Engineerings, rising 7 to 267p, after 270p, in response to the much better than expected preliminary results. Other leaders were unaffected by the end of the 13-week-old steel strike and Tubes closed 4 down at 250p on lack of support. Elsewhere, the chairman's cautiously optimistic remarks prompted an improvement of 5 to 132p in Hall, while John Folkes Hefo hardened 1½ to 26p in response to Press comment. ML Holdings found support at 240p, up 4, while Williams and James added a like amount to 107p. Reflecting the halved interim profits, Yarrow declined 5 to 290p.

Biddle pleases

Having already discounted the settlement of the steel strike, the miscellaneous industrial leaders traded quietly and displayed no set trend at the close. Metal Box rose 6 to 254p, while Boots, still helped by a broker's recommendation, hardened 2 to 184p. Pilkington dipped 5 to 205p and Unilever shed 4 to 403p. Secondary issues provided scattered features such as a rise of 12 to 92p by Biddle in response to better than expected results. Hoover "A" also firmed 12, to 152p, after 155p, following the chairman's confident remarks about the group's current trading. A firm market last week following the sale of a South African subsidiary for £32m, Bridon improved 3 to 71p; the market had already discounted the expected sharp profits setback and dividend cut. On the other hand, the increased dividend and profits buoyed Bestwood which rose 10 to 145p, while Cape Industries put on 12 to 234p after comment on the results. By way of contrast, Brooks Watson gave up 3 to 30p and A. Arenson shed a like amount to 46p following trading statements.

Black and Edgington fell to 43p in response to the lower annual profits, but closed a net 2 higher at 50p as buyers appeared at the lower level.

Motor Distributors displayed a mixed appearance. Caffyns rose 13 to 163p in a thin market following renewed speculative support, while Hanger Investments added a penny to 46p following the annual results. Support was lacking, however, for Godfrey Davis which gave up 3 more to 168p, and for T. C. Harrison, a like amount cheaper at 54p.

Newspaper leaders closed a shade firmer where altered.

Siebens UK good late

Siebens became a late firm feature in Oils, rising 90 to 650p, in response to Marathon's report on North Sea block 16/3A. Other secondary issues made sympathetic headway with Burmah closing 14 to the good at 206p and Ultramar rising 12 to a 1980 peak of 534p. Tricentrol improved 6 to 288p and Premier 1½ to 66½p. The leaders remained subdued, but BP added 6 to 362p. Shell, on the other hand, eased a couple of pence to 340p.

Trusts maintained a firm trend and, among Financials, renewed support lifted Mercantile House 6 more to a 1980 high of 178p.

South African Gold shares continued to edge higher as renewed light buying and the absence of any significant selling followed another steady performance by the bullion price.

The latter closed $2 easier at $501 an ounce ahead of the outcome of the latest International Monetary Fund gold auction. The Gold Mines index added 5.3 for a two-day gain of 11.3 to 284.7.

Heavyweights showed rises to ½ as in Western Deep, £14½, and Western Holdings, £25½, while rises of ¼ were common to Kloof and West Driefontein, at £12 and £27½ respectively.

London Financials were again featured by Rio Tinto-Zinc and Tanks. The latter put on 6 more to 238p on renewed buying ahead of the next Ashton progress report, while the former rose another 8 to 370p reflecting its indirect interest in Ashton and investment demand in front of the 1979 results which are expected in a fortnight's time. Gold Fields recovered from 468p to close unchanged on balance at 473p.

South African Financials tended to ease after a bright start, but General Mining put on 20 to 720p "ex-rights" while a good demand left the "rights" 17 higher at 93p premium.

Australians made further good progress in line with overnight Sydney and Melbourne markets. The Ashton participants and the Rundle oil-shale twins were again prominent. Optimism over the next progress report from the former produced a gain of 12 to 140p in a three-day rise of 23 to 140p in Ashton Mining, while Conzinc Riotinto added 10 more to 260p and Northern Mining 8 to 122p.

Persistent buying of the Rundle partners followed reports of a bullish circular from a "down-under" broker. Central Pacific rose £2¼ to £21½ and Southern Pacific 75 to 825p.

The recent steadiness of the bullion price encouraged good interest in Gold Mines of Kalgoorlie, 11 firmer at 195p, and Western Mining, 7 to the good at 202p. Among the speculatives Haoma, 40p, and North West Mining 38p, both closed around 3 better following reports of another gas discovery in North America, Leichasdt Exploration put on 20 to 245p.

Elsewhere, Saint Piran encountered profit-taking which lowered the shares 5 to 65p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	350	22	8	—	—	—	—	560p
BP	590	—	—	82	5	54	2	"
BP	420	—	—	13	8	24	—	"
Com. Union	130	6	—	13	—	18	5	130p
Com. Union	140	2	1	8	1	15	—	"
Cons. Gold	500	7	20	32	—	58	—	475p
Cons. Gold	550	1½	5	18	—	50	5	"
Courtaulds	80	1	—	3	10	4½	—	57p
GEC	360	18	10	48	10	57	—	572p
GEC	590	4	—	26	13	41	1	"
Grand Met.	130	3	—	7½	1	15½	—	125p
Grand Met.	140	1	—	5½	5	8½	—	"
ICI	360	18	3	44	6	50	—	373p
ICI	380	3	1	19	—	50	—	"
ICI	420	½	5	7	—	15	30	"
Land Secs.	300	6½	20	18	—	51	—	292p
Land Secs.	330	1	30	7½	10	—	—	"
Shell	390	3	—	16	4	24	—	341p
Totals			101		66		41	
		May		August		November		
Imperial Gp.	70	11	48	15	—	16	—	80p
Imperial Gp.	80	4	1	7½	—	9	2	"
Racal Elec.	200	23	1	32	—	43	—	218p
Racal Elec.	220	11	—	22	—	32	5	"
Racal Elec.	240	3	—	12	27	—	—	"
RTZ	300	75	1	98	—	—	—	369p
RTZ	330	47	—	75	—	85	1	"
RTZ	360	30	1	53	—	70	—	"
RTZ	390	18	15	42	1	53	—	"
RTZ	420	7	16	30	30	40	30	"
Totals			82		58		36	

FINANCIAL TIMES STOCK INDICES

—	Apr. 2	Apr. 1	Mar. 31	Mar. 28	Mar. 27	Mar. 25	A year ago
Government Secs.	64.98	64.82	64.58	64.02	64.30	64.61	74.5
Fixed Interest	65.37	65.30	65.02	64.81	64.97	65.00	76.19
Industrial	432.1	432.4	427.0	421.5	425.1	435.1	523.8
Gold Mines	284.7	279.4	273.4	279.1	287.7	304.4	148.0
Ord. Div. Yield	8.02	7.97	8.07	8.17	8.15	7.94	5.42
Earnings, Yld. % (full)	19.65	19.66	20.01	20.26	20.51	19.77	14.38
P/E Ratio (net) (*)	6.24	6.24	6.12	6.05	6.00	6.17	8.86
Total bargains	33,556	33,990	25,475	22,402	19,526	17,678	—
Equity turnover £m	—	157.65	98.11	169.49	148.52	72.88	122.58
Equity bargains total	—	28,859	20,428	18,354	17,372	12,273	32,087

10 am 432.9. 11 am 433.4. Noon 432.6. 1 pm 432.8. 2 pm 432.8. 3 pm 433.7.

Latest Index 01-246 8026.

*Nil=5.97.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.28 (2/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.81 (21/1)	64.70 (18/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (13/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	226.8 (18/3)	442.5 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 2	Apr. 1
—Daily		
Gilt Edged	148.5	124.9
Industrials	171.2	172.1
Speculative	41.4	61.1
Totals	111.7	109.9
5-d'y Av'r'ge		
Gilt Edged	121.9	120.6
Industrials	159.8	129.2
Speculative	41.4	40.1
Totals	82.4	86.7

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (27)

BRITISH FUNDS (6)
Treas. 9½pc 1980 — Treas. 9¾pc 1981
Treas. 3½pc '77-80 — Exchqr. 12½pc 1985
Fund'g 5½pc '78-80 — Exchqr. 13½pc 1987

BEERS (1)
Border Breweries

BUILDINGS (3)
Bett Bros — Milbury
Feb Int.

STORES (2)
Harris Queensway — Henriques A

ENGINEERING (1)
Williams (W.)

INDUSTRIALS (4)
Biddle — Low & Bonar
Hoover A — Redfearn Glass

NEWSPAPERS (1)
Haynes Pub.

PAPER (1)
Wyatt (Woodrow)

PROPERTY (2)
Allnatt London — Kent (M. P.)

TRUSTS (2)
Altifund Inc. — Mercantile House

OIL & GAS (2)
Clyde Petroleum — Ultramar

OVERSEAS TRADERS (2)
Paterson Zochonis — Paterson Zochonis A

NEW LOWS (61)

AMERICANS (1)
Savi (B. F.)

BANKS (2)
Commerzbank — Deutsche Bank

BEERS (1)
Clark (Matthew)

BUILDINGS (4)
Countryside — Lafarge S.A.
Francis Parker — Marshalls (Halifax)

CHEMICALS (2)
Bayer AG — Burrall

STORES (6)
Bolton Textile — Steinberg
Casket (S.) — Waring & Gillow
Reed (Austin) A — Wilkinson Warburton

ELECTRICALS (2)
Brocks — M.K. Electric

ENGINEERING (7)
Allen (W. G.) — Thyssen
Braithwaite — Wombwell Foundry
Cooper Inds. — Yarrow
Newman Tonks

FOODS (1)
British Vending

INDUSTRIALS (10)
Arenson (A.) — Manch. Ship Canal
Brown Boveri Kent — Relyon PBWS
Hanimex Corp. — Rotaprint
Harris (Ph.) — Ryan (L.)
Hirst & Mallinson — Unilever

INSURANCE (2)
Phoenix — Taisho Marine

LEISURE (2)
Boosey & Hawkes — Westward TV

MOTORS (5)
E.R.F — Harrison (T. C.)
Bluemel Brothers — Western Motor
Arlington Motor

PAPER (2)
Assoc. Paper — Clay (Richard)

SHIPPING (1)
Milford Docks

SHOES (4)
Garnar Scotblair — Ward White
Stylo Shoes — Wearra

TEXTILES (2)
British Mohair — Shaw & Marvin

OIL & GAS (1)
New Court Nat.

OVERSEAS TRADERS (2)
Utd. City Merchants
Do. 10pc Ln.

RUBBERS (1)
Rightwise

TEAS (1)
Moran

MINES (2)
Bond Corp. — Oakbridge

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	80	1	8
Corpns., Dom. and Foreign Bonds	12	4	50
Industrials	225	214	968
Financial and Prop.	140	64	284
Oils	18	10	18
Plantations	1	14	12
Mines	68	32	53
Others	34	45	48
Totals	578	384	1,442

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., April 2, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., April 1 Index No.	Mon., Mar. 31 Index No.	Fri., Mar. 28 Index No.	Thurs., Mar. 27 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (173)	232.81	+0.2	18.93	6.74	6.66	232.44	229.96	227.91	228.96	266.17
2	Building Materials (28)	225.49	−0.5	17.96	6.96	7.02	226.69	222.33	221.01	222.69	249.46
3	Contracting, Construction (28)	351.11	+0.3	27.16	6.93	4.49	350.19	348.10	347.12	348.34	405.13
4	Electricals (16)	606.86	—	13.28	4.10	10.03	607.16	600.30	592.74	591.99	644.97
5	Engineering Contractors (11)	273.35	+1.1	27.66	9.40	4.62	270.28	270.83	270.16	274.25	392.70
6	Mechanical Engineering (74)	157.75	+0.2	21.99	8.30	5.72	157.42	155.89	154.78	155.73	200.61
8	Metals and Metal Forming (16)	161.18	+1.5	21.33	9.61	5.59	158.78	158.36	156.14	157.72	171.53
	CONSUMER GOODS										
11	(DURABLE) (49)	207.61	+0.6	16.89	6.33	7.31	206.36	204.95	204.27	205.67	240.25
12	Lt. Electronics, Radio, TV (14)	293.73	+0.7	13.42	4.78	9.51	291.60	290.18	289.29	291.99	324.95
13	Household Goods (14)	106.09	+1.9	28.01	10.39	4.22	104.06	103.73	104.20	104.43	169.72
14	Motors and Distributors (21)	103.69	—	23.35	9.43	5.09	103.68	102.35	101.76	101.87	124.93
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	212.17	−0.1	19.08	7.28	6.45	212.27	209.49	208.59	210.21	249.86
22	Breweries (14)	262.58	+0.3	16.84	6.69	6.97	261.39	258.22	254.90	257.74	279.94
23	Wines and Spirits (5)	293.99	+0.7	18.53	6.33	6.65	292.03	290.04	286.29	290.26	338.78
24	Entertainment, Catering (17)	289.32	—	19.14	7.27	6.52	289.28	287.44	283.50	283.43	341.16
25	Food Manufacturing (19)	186.37	−0.5	21.84	8.15	5.65	187.36	185.26	183.95	185.55	223.53
26	Food Retailing (15)	295.30	−0.1	14.06	5.11	8.49	295.63	291.29	289.02	291.70	287.38
32	Newspapers, Publishing (13)	401.93	+0.5	25.14	7.49	5.43	399.88	394.62	394.36	400.14	455.93
33	Packaging and Paper (15)	126.32	+0.7	24.18	9.13	5.23	125.44	123.15	123.13	124.69	145.99
34	Stores (43)	211.54	−0.2	14.43	5.48	9.02	211.91	208.95	209.35	211.86	247.04
35	Textiles (24)	119.30	−1.2	30.24	12.91	4.13	120.80	120.26	119.86	122.63	181.61
36	Tobaccos (3)	202.65	—	28.73	11.61	3.95	202.63	197.58	197.58	194.18	269.25
37	Toys and Games (5)	30.50	+1.7	49.30	16.64	2.50	30.00	30.36	31.03	31.52	93.72
41	OTHER GROUPS (97)	197.61	+0.2	17.80	7.41	6.71	197.26	194.00	192.65	194.07	222.15
42	Chemicals (16)	296.41	—	20.94	8.10	5.47	296.38	291.82	287.41	289.47	309.16
43	Pharmaceutical Products (7)	198.91	−0.7	12.90	6.57	9.40	200.21	197.94	194.04	195.57	272.76
44	Office Equipment (6)	110.39	+0.8	19.22	7.43	6.00	109.56	108.31	106.63	107.96	148.36
45	Shipping (11)	455.75	+0.6	12.15	6.92	10.19	452.89	449.30	444.75	444.55	437.18
46	Miscellaneous (57)	230.56	+0.5	17.92	7.23	7.08	229.31	226.74	226.25	228.05	249.25
49	INDUSTRIAL GROUP (492)	220.30	+0.1	18.58	7.11	6.62	220.07	217.46	215.89	217.39	253.89
51	Oils (8)	737.35	+0.9	29.79	6.91	3.57	730.53	718.52	710.59	694.63	672.04
59	500 SHARE INDEX	261.16	+0.3	20.96	7.07	5.60	260.43	257.09	255.03	255.24	287.89
61	FINANCIAL GROUP (118)	188.71	−0.7	—	6.33	—	190.09	187.20	185.21	186.32	203.00
62	Banks (6)	206.05	−1.3	47.20	7.43	2.58	208.73	204.98	203.54	203.86	243.32
63	Discount Houses (10)	213.61	+0.8	—	9.34	—	212.00	211.65	213.34	212.38	258.78
64	Hire Purchase (5)	191.60	−0.4	17.34	5.18	7.58	192.39	188.61	185.99	186.57	183.03
65	Insurance (Life) (10)	166.38	−1.0	—	7.19	—	168.07	162.86	160.73	161.68	164.99
66	Insurance (Composite) (9)	121.29	−2.1	—	8.22	—	123.94	121.80	119.04	120.18	142.15
67	Insurance Brokers (10)	286.70	−1.6	17.19	7.03	8.19	291.40	283.01	280.82	288.42	345.35
68	Merchant Banks (14)	98.58	+0.2	—	6.25	—	98.37	98.32	98.94	99.44	93.49
69	Property (45)	362.02	+0.8	3.60	3.09	39.88	359.01	356.91	353.48	354.69	341.29
70	Miscellaneous (9)	127.78	+0.2	16.32	7.16	8.11	127.51	127.07	126.95	127.44	123.56
71	Investment Trusts (109)	287.45	+0.8	—	6.28	—	285.79	283.48	283.99	286.18	229.42
81	Mining Finance (4)	188.59	+1.6	12.22	4.69	9.93	185.54	180.74	178.18	181.58	129.83
91	Overseas Traders (19)	399.48	+0.8	12.65	6.74	9.68	396.17	389.50	391.85	392.61	371.03
99	ALL-SHARE INDEX (750)	244.15	+0.2	—	6.82	—	243.70	240.38	238.52	239.18	264.11

FIXED INTEREST PRICE INDICES

	British Government	Wed., April 2	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.40	+0.19	—	2.38
2	5-15 years	104.59	+0.26	—	2.68
3	Over 15 years	108.46	+0.28	—	2.82
4	Irredeemables	121.01	+0.30	—	1.78
5	All stocks	104.53	+0.24	—	2.53

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Wed., April 2	Tues., April 1	Year ago (approx.)
1	Low Coupons	5 years	13.03	13.07	9.12
2		15 years	12.82	12.85	10.17
3		25 years	12.82	12.85	10.91
4	Medium Coupons	5 years	14.88	14.95	10.82
5		15 years	14.41	14.45	11.57
6		25 years	14.22	14.25	11.87
7	High Coupons	5 years	14.93	14.99	11.26
8		15 years	14.73	14.77	11.97
9		25 years	14.62	14.65	12.13
10	Irredeemables		12.30	12.33	10.62

		Wed., April 2 Index No.	Wed., April 2 Yield %	Tues. April 1	Mon. March 31	Fri. March 28	Thurs. March 27	Wed. March 26	Tues. March 25	Mon. March 24	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.28	†14.99	49.27	49.27	49.28	49.34	49.74	49.70	49.69	59.18
16	Investment Trust Prefs. (15)	46.96	14.09	46.96	46.96	46.95	46.96	47.12	47.12	47.12	51.46
17	Coml. and Indl. Prefs. (20)	61.25	14.63	61.18	61.23	61.14	60.93	61.24	61.24	61.24	72.79

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
GKN	£1	10	267	+7	277	237
Racal Electronics	25p	10	218	+5	241	175
Shell Transport	25p	10	340	−2	410	314
BAT Inds.	25p	9	235	+2	271	226
Beecham	25p	8	117	−2	134	113
Bowater	£1	8	170	—	184	141
Unilever	25p	8	403	−4	480	403
Allied Breweries	25p	7	73	+½	84	68
BSG Intl.	10p	7	23¾	—	33½	23½
BP	25p	7	362	+6	412	328
Burmah Oil	£1	7	206	+14	249	162
Marks & Spencer	25p	7	87	−1	96	77
Turner & Newall	£1	7	100	—	142	98
BICC	50p	6	115	+2	120	95
BTR	25p	6	340	—	347	278

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 31	Apr. 11	Jul. 10	July 21
Apr. 21	May 2	Aug. 7	Aug. 18
May 6	May 17	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Money was given for the call in Courtaulds, Lonrho, Burmah, Dundonian, Vickers, Northern Kalgoorlie, FNFC, Bejam, Kwik Save, Thomas Witter, William Press, Lee Cooper and Premier Oil. A put was done in FNFC, while doubles were arranged in Bridon, Burton Warrants and Charterhall.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

OVERSEAS TRADERS	+19.19	OFFICE EQUIPMENT	+5.58
HIRE PURCHASE	+16.37	OTHER GROUPS	+5.39
MINING FINANCE	+14.57	MECHANICAL ENGINEERING	+5.10
CONTRACTING AND CONSTRUCTION	+14.38	OILS	+4.90
ELECTRONICS, Radio and TV	+13.85	FINANCIAL GROUP	+4.24
PROPERTY	+13.35	CONS. GOODS (NON-DUR.) GROUP	+4.18
STORES	+10.85	NEWSPAPERS AND PUBLISHING	+4.08
ELECTRICALS	+10.46	GOLD MINES F.T.	+4.02
MERCHANT BANKS	+9.60	BREWERIES	+3.38
METAL AND METAL FORMING	+9.58	PHARMACEUTICAL PRODUCTS	+3.18
CAPITAL GOODS GROUP	+8.92	INSURANCE (COMPOSITE)	+1.97
INSURANCE BROKERS	+8.91	TOBACCOS	+1.84
PACKAGING AND PAPER	+9.84	FOOD RETAILING	+0.53
CONSUMER GOODS (DURABLE) GROUP	+9.39	MOTORS AND DISTRIBUTORS	+0.06
BUILDING MATERIALS	+7.84	WINES AND SPIRITS	−0.38
INSURANCE (LIFE)	+7.48	FOOD MANUFACTURING	−1.46
INVESTMENT TRUSTS	+6.91	DISCOUNT HOUSES	−3.33
SHIPPING	+6.79	TEXTILES	−3.80
CHEMICALS	+6.72	BANKS	−5.26
ALL-SHARE INDEX	+6.05	ENGINEERING CONTRACTORS	−8.05
INDUSTRIAL GROUP	+5.96	HOUSEHOLD GOODS	−10.60
ENTERTAINMENT AND CATERING	+5.79	TOYS AND GAMES	−36.96
500 SHARE INDEX	+5.74		

† Percentage changes based on Tuesday, April 1, indices.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
50	[illegible]	[illegible]	140	88	Berkeley Exploration	115	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£1	F.P.	[illegible]	108	100	Child Health Research	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	F.P.	[illegible]	112	76	Falcon Inv. Trust 5p	72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Lon.Merc'ntSecs.Defd.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
180	F.P.	[illegible]	101	94	Morley (R.H.) 10p	95	[illegible]	b4.75	1.3	5.8	16.0
—	F.P.	[illegible]	88	86	Roche Plant 10p	86	[illegible]	1.86	8.7	6.8	21.3
510	F.P.	[illegible]	104	104	TottofProp.5hn.5p	104	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
144	F.P.	[illegible]	[illegible]	[illegible]	WebberElctComl.5p	56	[illegible]	b3.5	1.5	8.9	10.0

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
100	F.P.	[illegible]	101	98	Edwards (L.C.) 13 Conv. Red. Cum. Pref.	98	[illegible]
—	[illegible]	[illegible]	112	105	Globe Inv Tst 11½ Conv Uns Ln 90-95	105	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Imp. Cont. Gas [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Leigh Interests 10pc Conv. Uns. Ln. [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mid Kent Water 9% Red Pref. 1985	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Nat. Inv. & Uxbridge Wtr. [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sutton District Water 10pcRedPref.1983	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −
136	F.P.	[illegible]	157	159	AGB Research	164	[illegible]
223	Nil	[illegible]	80pm	74pm	Aran Energy	74pm	[illegible]
230	Nil	[illegible]	351	318	Cluff Oil	326	[illegible]
R15	Nil	[illegible]	80pm	73pm	General Mining	93pm	+17
60	F.P.	[illegible]	645	660	Hammerson Prop. A	790	[illegible]
60cts	Nil	[illegible]	428pm	180pm	Pancontinental	275pm	[illegible]
68	Nil	[illegible]	1pm	½pm	United Biscuits	½pm	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs. — P.O. Box 195, St. Helier, Jersey. 0534 27561 [illegible]

Rothschild Asset Mgt. (Bermuda) — P.O. Box 664, Bk. of Bermuda Bld., Bermuda. Reserve Assets Fd. [illegible] Prices on March 24. Next dealing April 12.

Royal Trust (C.I.) Fd. Mgt. Ltd. — P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441. [illegible]

TSB Gilt Fund Managers (C.I.) Ltd. — 10 Wharf St., St. Helier, Jersey (CI). 0534 73494. TSB Gilt Fund [illegible]. Prices on April 2. Next sub. day April 9.

Tokyo Pacific Holdings N.V. — Intimis Management Co. N.V., Curacao. [illegible]

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a) (c)

Archway Unit Tst. Mgt. Ltd.

Barclays Unicorn Ltd. (a) (c) (g)

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a) (c)

Britannia Trust Management (a) (g) (z)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd. (a) (g)

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a) (c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a) (g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a) (g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M. (a) (b) (c)

Fidelity International Management Ltd.

Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a) (g)

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (g)

Hill Samuel Unit Tst. Mgrs. (a)

Intel. (a) (g)

Key Fund Managers Ltd. (a) (g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Trust

M & G Group (y) (c) (z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a) (g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a) (g)

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a) (g) (z)

Pelican Units Admin. Ltd. (g) (x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest Co. Ltd. (y) (c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a) (b) (c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Saturn Fund Management Limited

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a) (z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a) (g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

TSB Unit Trusts (y)

Tyndall Managers Ltd. (a)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. k Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. Net of tax on realised capital gains unless indicated by ♦. ‡ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. †† Only available to charitable bodies.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Funds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Hodge Life Assurance Co. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Merchant Investors Assurance

NEL Pensions Ltd.

New Zealand Ins. Co. (UK) Ltd.

NPI Pensions Management Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Keyser Ullmann Ltd.

King & Shaxson Mgrs.

Kleinwort Benson Limited

Lazard Brothers & Co. (Jersey) Ltd.

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99	97½	Treasury 9½pc '80‡‡	99	+	9.56	15.62
97	95⅞	Treasury 3½pc '77-80	97	+	3.58	16.01
97	96	Funding 5¼pc '78-80‡‡	97	+	5.36	16.03
98	97⅞	Exchequer 13pc 1980‡‡	98	+	13.25	16.03

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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هكتامين الأجل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

400	305	Lunuva £1	355	......	17.0	1.0	6.8

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1980 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's
430	275	Coronation	295xd	+15	†Q54c	2.2	10.5
680	520	Falcon Rh.50c	600xd	+10	†Q100c	1.7	11.5
47	34	Rhod'n Corp. 16½p	38	+1	0.56	8.5	2.1
267	160	Roan Cons. K4	170	......	†Q0.12	♦	4.5
65	54	Wankie Col. Rh.1	57	......	†Q9c	1.5	11.3
54	28	Zam.Cpr.SBD0.24	28	......	—	—	—

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

235	130	Messina R0.50	160	+3	Q10c	♦	3.4

MISCELLANEOUS

160	78½	Anglo-Dominion	145	–5	—	—	—
97	58	Barymin	70	–2	—	—	—
14½	12	Burma Mines 17½p	13½	......	—	—	—
502	330	Cons. Murch. 10c.	370	......	MQ100c	1.8	15.5
585	325	Northgate C$1	380	+10	—	—	—
485	327	R.T.Z.	370	+8	†11.5	3.4	4.4
33	16	Robert Mines	26	+1	—	—	—
58	27	Sabina Inds. C$1.	32	+1	—	—	—
650	485	Tara Exptn. $1	505	–5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	28	......			
Bertam	18	......	Conv. 9% '80/82	£86	......
Bdg'wtr. Est. 50p	365	......	Nat. 9¾% 84/89	£71	+⅛
Clover Croft	60	......	Fin. 13% 97/02	£78⅝	+½
Craig & Rose £1	£10½	......	Alliance Gas	99	......
Fife Forge	38xd	......	Arnott	350	......
Finlay Pkg. 5p	21	......	Carroll (P.J.)	90	......
Graig Ship. £1	850	......	Clondalkin	100	......
Higsons Brew.	75	+1	Concrete Prods.	80	......
Holt (Jos) 25p	255	......	Heiton (Hldgs.)	36	......
I.O.M. Stm. £1	160	–3	Ins. Corp.	250	......
Pearce (C. H.)	305	......	Irish Ropes	80	......
Peel Mills	37	......	Jacob	35	–2
Sheff. Refrshmt	97½	......	T.M.G.	138	–2
Sindall (Wm.)	165	......	Unidare	103	+1

OPTIONS

3-month Call Rates

Industrials					
		I.C.I.	32	Utd. Drapery	9
A. Brew	8	"Imps"	7	Vickers	14
BOC Intl.	6	I.C.L.	45	Woolworths	6½
B.S.R.	5	Inveresk	5		
Babcock	12	Ladbroke	15	**Property**	
Barclays Bank	30	Legal & Gen.	14	Brit. Land	7
Beecham	13	Lex Service	10	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	25
Boots	17	"Lofs"	3½	MEPC	17
Bowaters	16	London Brick	6	Peachey	13
B.A.T.	25	Lucas Inds.	29	Samuel Props.	12
Brown (J.)	7	"Mams"	14	Town & City	2
Burton 'A'	22	Mrks. & Spncr	9		
Cadburys	5½	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	98
Debenhams	8	Nat. West. Bank	32	Burmah Oil	20
Distillers	21	P & O Dfd.	9	Charterhall	12
Dunlop	5½	Plessey	16	KCA	11
Eagle Star	14	Racal Elect.	28	Premier	12
F.N.F.C.	2½	R.H.M.	4½	Shell	55
Gen. Accident	21	Rank Org.	18	Tricentrol	35
Gen. Electric	30	Reed Intnl.	17	Ultramar	50
Glaxo	40	Sears	5½		
Grand Met	12	Tesco	7	**Mines**	
G.U.S. 'A'	30	Thorn	25		
Guardian	23	Trust Houses	14	Charter Cons.	18
G.K.N.	22	Tube Invest.	27	Cons. Gold.	52
Hawker Sidd	16	Unilever	40	Lonrho	12
House of Fraser	12	U.D.T.	4	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" P

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FINANCIAL TIMES

Thursday April 3 1980

Most steelmen likely to return

BY OUR INDUSTRIAL AND LABOUR STAFF

MOST OF the 132,000 steelworkers who have been on atrike for 13 weeks are expected to return to work today. after their unions' acceptance of a 16 per cent pay rise.

But meetings throughout the country yesterday showed that many will go back in a mood of bitter frustration that might sour relations for mooths.

Even assuming a full return, it will take up to six weeks for ironmaking and most steelmaking to resume. Some rerolling of stock, and steelmaking by the arc furnace method, could hegin before the weekend.

Fiercest resistaoce to the settlement—which the Iron and Steel Trades Confederation says could be worth as much as 18 per cent—was in South Wales. It is moat affected by the British Steel Corporation's retrenchment plans.

Many local union officials are preparing for another battle with the corporation to prevent planned closures. They expect full backing from the TUC and other unions sucb as the miners, whose jobs are also threatened.

Some strikera are threatening to withdraw co-operation with managers belonging to the Steel Industry Management Association. The association, which was not involved in the pay dispute, has already passed a vote of no-confidence in British Steel management. It is threateoing to obstruct closure plans.

Road haulage companies that ferried steel aronnd the country during the dispute may be blacked by the uniona.

At Port Talbot in South Wales, craftsmen defied their unions' instruction to go back and continued to picket the gates in protest at the threatened loss of 6,900 jobs.

But a mass meeting of blastfurnacemen, who six weeks ago voted to stay out over the jobs issue, decided by an overwhelming majority to resume work.

At Llanwern, the other big South Wales plant where 4,400 redundancies are planned, craftsmen voted to return. But they may be confronted today by blastfurnacemen picket linea. ISTC officiala were advising their members to ignore picket lines.

GRANADA TELEVISION was ordered in the High Court yesterday to name the person who disclosed to it confidential documents belonging to the British Steel Corporation. The judge described Granada's part in the affair as a flagrant breach of confidence. Report, Page 6; other steel news, Page 7

Scottish strikera decided to ask dockers to continue for another month their blacking of ships carrying foreign steel, to give British Steel time to get into full production and win back customers.

Craftsmen and process workers were expected to report for work. Mr. Jake Stewart, British Steel's Scottish director, has said 2,000 jobs will have to be lost in Scotland to meet productivity targets.

At a mass meeting of 7,000 steelworkers in Rotherham, South Yorkshire, one of the most militant steel areas, local and national strike leaders were accused of a "sell-out." They voted to return to work, but a substantial minority wanted to stay out until they had won their demand for 20 per cent "without stringa."

Many Yorkshire steelmen were predicting that disputes would develop within plants as the corporation tried to introduce the productivity aod demanning programme accepted by the unions as part of a settlement.

Mr. Stan Sheridan, the South Yorkshire strike leader, said the strike had left the union stronger rather than weaker. "We do not expect to be taken on and beaten again because we will not make the same mistakes," he said.

Craftsmen turned up for work on their union's advice, but many went home when confronted by ISTC picket lines. Normal production is expected to resume in 10 days in Sheffield, which relies entirely on electric arc furnaces for its steel output.

A Liverpool dock strike, called in protest at alleged victimisation of men who refused to load steel on a vessel bound for India, was called off. The Transport Workers' Union rescinded earlier instructions for national support of its Liverpool members.

In several steelworks, strikers are demanding the expulsion of union members who crossed picket lines during the strike. ISTC officials in Corby, Northants, want the union to discipline 70 members.

Gold price rise boosts Britain's reserves

By Peter Riddell, Economic Correspondent

THE SHARP rise in the price of gold over the last year has significantly increased the value of Britain's gold and foreign currency reserves.

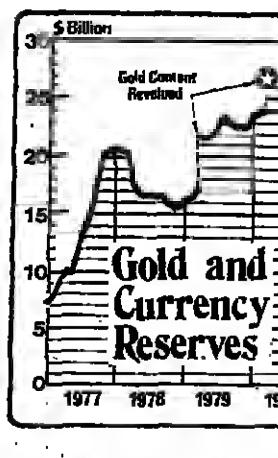
Treasury figures publiabed yesterday show that the annual revaluation of the gold and non-dollar content of the reserves added $2.8bn (£1.3bn) at the end of March to bring the total up to $26.96bn (£12.54bn).

The increase would have been even larger—about $5.5bn—but for a change in the formula for revaluing the reserves, announced yesterday by Sir Geoffrey Howe, the Chancellor.

The previous method had been to value the non-dollar currencies at the average exchange rates in the three months up to the end of March and gold at 75 per cent of its average daily price over the same period.

The valuation will now be on the basis of this average or the exchange rates and gold price ruling on March 31 (with a discount for gold), whichever is less.

The change to a more cautious formula is significant this year because the March 31 dollar price of gold is well below the January to March average and the non-dollar content of the reserves have been falling sharply in value against the U.S. currency in recent weeks.



Under the old method the value of the UK's gold reserves would have risen by roughly $5.5bn and there would have been little change in the value of the non-dollar content over the last year.

But since the March 31 gold price was more than $100 an ounce less than the three-month average value, the revaluation is about $3.5bn at a discounted price of $371 against $178.6 a year ago. The appreciation of the dollar against other currencies has resulted in $750m fall in the value of the non-dollar content.

The revaluation is a paper transaction but it underlines the considerable strengthening of Britain's official reserves in the last few years. Indeed, total reserves are now significantly higher than total outstanding foreign currency debts. At the end of March these were $20.6bn, after a net decline of $1.5bn since the last election.

Before revaluation the reserves rose last month by $204m to $24.14bn. After account is taken of the repayment of overseas debt and new borrowing, the underlying inflow was $249m.

That suggests that there was some limited Bank of England intervention during the month to check the rise in the pound against the continental currencies. The Bank does not, however, appear to have intervened to check the decline in sterling against the dollar: there was a 4½ per cent fall in March. The trade-weighted index fell fractionally during the month.

Repayments of overseas debt last month totalled $208m, including the rest of a prepayment (before the due date) of a $1bn Electricity Council loan. New overseas borrowings by nationalised industries and public corporations amounted to $163m.

More warships to be ordered

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

INCREASED ORDERS for the defence equipment industries in the coming year are foreshadowed in the Defence White Paper, issued yesterday.

Included are further orders for the British Aerospace Hawk trainer aircraft, another Trafalgar Class nuclear-powered fleet submarine, more Type 22 frigates, plans for a new class of conventionally-powered patrol submarine, a new class of off-shore patrol vessel, and more mine countermeasures vessels.

Longer-term plans include a tactical combat aircraft to replace the Jaguar fighter, a generation of anti-ship missiles for the 1990s, and studies with West Germany and France on a medium-range surface-to-air missile.

The White Paper reveals that out of a total defence budget of over £10.78bn in 1980-81 prices, spending on equipment will account for more than £4.75bn.

BRITAIN AND other Western Allies are considering whether to reverse past policy and develop chemical weapons, Reginald Dale writes. The weapons would be intended to deter the use of chemical warfare by the Soviet Union and would be used only in retaliation.

Western governments do not want to get involved in this branch of warfare—they would rather it was effectively banned altogether. But concern is mounting within NATO at the Soviet Union's continuing improvement of its already considerable chemical stockpile.

A Western decision is still a long way off, and the final verdict may well be against developing the new wapons.

White Paper Details, Page 8; the Tory Strategy, Page 18; editorial comment, Page 18

Actual spending overall in 1979-80 is put at £8.56bn.

There are no significant revelations about defence spending, but the White Paper shows that the Government is considering some major changes in staff policy, such as the possibility of women in the armed forces carrying weapons, either for self-defence or in a base-defence role. But there is no question of women being used in combat.

The White Paper stresses the substantial build-up of Soviet conventional forces, and contains a strong defence of the Government's policy of spending more on the armed forces.

But it says this does not imply that defence is being given a "blank cheque," or that other spending programmes are unimportant.

The task, it states, is "to get the balance of priorities right again; to restore our defence effort to the level needed to give the best possible guarantee of safety, using the most economical means available."

The White Paper says that the Government is considering a scheme for a "quick reaction" force that would be able to go swiftly to trouble-spots in support of other NATO members. The first move towards such a force is the regular provision of one Army parachute battalion at seven days' notice.

Swedes lock out 1m

BY WILLIAM DULLFORCE IN STOCKHOLM

SWEDEN'S employers decided yesterday to lock out nearly 1m workers, about 40 per cent of the union-organised labour force, for a week from next Thursday.

That is a reprisal for refusal by the Landsorganisationen, the trade union federation, to call off a ban on overtime.

The two sides have been negotiating a long-term national wages settlement since November. The unions claimed an 11.4 per cent nominal average increase. The employers said there was little room for any increase.

The conflict has spread quickly since the March 23 referendum on nuclear power, and threatens to turn into an unusually dramatic confrontation by Swedish standards.

The future of Mr. Thorbjörn Fälldin's non-Socialist coalition Government may be at stake.

The Government has appointed a commission under Mr. Carl-Erik Norlander, former Governor of the Riksbank, the central bank, to mediate.

Last Thursday the Government imposed a price freeze until May 9 and outlined measures, including tax reductions and food subsidies, to ease the way for a moderate wage agreement.

Mr. Gunnar Nilsson, the union federation chairman, dismissed the Government package as too little and too late. On Monday the federation rejected a request from the mediators to call off its ban on overtime.

The ban was imposed two weeks ago as part of the union's strategy of stepping up pressure on the employers.

Yesterday the Council of the Swedish Employers' Association reacted by giving notice of a one-week lockout of all federation members except those whose work was essential for safety. The mediating commission called both sides to a meeting at 9 am local time today.

Mr. Harry Fällström, the unions' chief negotiator, said that a lockout would be "a real escalation," out of all proportion to the unions' overtime ban.

The employers' body estimates that a one-week lockout would cost its member-companies Skr 2bn (£208m). It has Skr 1.3bn in its "Conflict Fund" and guarantees of further capital, should a General Strike break out.

The federation and its member-unions have about Skr 2.8bn available, and the right to borrow as much again.

New sick pay plan

BY ERIC SHORT

EMPLOYERS would have to pay at least £30 a week to employees in the first eight weeks of sickness, according to Government proposals published yesterday in a Green Paper.

The scheme is expected to be implemented in 1982. Since the minimum payment would be related to current social security sickness benefit, it is likely to be considerably higher than £30 by then.

At the rate of £30 a week, the proposed changes, which were first announced by the Government in December, would add £415m to the employers' annual wage bill, plus a further £85m in additional National Insurance contributions. To offset these extra costs, the employers' National Insurance contribution rate will be reduced, by 0.5 percentage points.

The Green Paper says that employers' present sick-pay scheme and the Government's social security equivalent involve a considerable duplication of administration. The proposed change would save about 5,000 civil service jobs.

The proposals were immediately condemned by the TUC as a further attack on the sick and a withdrawal by the Government of its responsibility to citizens in times of need. The CBI also expressed concern over the size of the administrative load and the inequity between industries with high sickness rates and those with traditionally low rates.

Details, Page 8

Gas supply changes

BY RAY DAFTER, ENERGY EDITOR

ABOUT 11,500 UK companies are likely to lose their right to assured supplies of natural gas as a result of proposed legislation announced yesterday. The companies will now have to compete for contract supplies from British Gas Corporation, almost certainly at much higher prices.

The change was announced by Mr. David Howell, Energy Secretary, who is introducing a Gas Bill to end a special supply concession to established industrial and commercial customers who each buy between 25,000 and 100,000 therms a year.

These buyers, who have been British Gas customers for at least four years, are entitled to assured supplies at a predetermined tariff rate, much as domestic and smaller commercial organisations using 25,000 therms a year or less, are guaranteed supplies.

The Energy Department said that under the planned legislation, all customers using more than 25,000 therms annually would have to rely on negotiable contracts for supplies.

The companies affected will probably have little difficulty in obtaining contract supplies. British Gas said last night that as established customers they would be given priority. But they will have to pay more when the legislation takes effect this summer.

The Gas Corporation sought new legislation because it was concerned that large-tariff customers were paying below the market rate for supplies. Unlike negotiated contract prices, tariffs have been held down by past Government.

Biotechnology venture

BY JOHN ELLIOTT AND DAVID FISHLOCK

THE National Enterprise Board is to consider in the next six weeks whether to go ahead with an investment in "genetic engineering" to create new products and processes.

It would be a joint venture with financial institutions and a research-based company, and would be the first significant new project launched since the Board was reconstituted under the chairmanship of Sir Arthur Knight in November.

The NEB confirmed its interest in a possible project—which might involve an investment of about £2m a year—after the Government published a report yesterday on biotechnology.

Continued from Page 1

GEC

£25m tranche if Inmos were taken over by GEC.

GEC is not a major manufacturer of semi-conductors, and acquisition of Inmos would give it direct access to advanced micro-electronic technology, particularly in memories. But the technology has still to be proven commercially, as Inmos has yet to produce components in volume.

A sensitive question is whether the Inmos team of talented designers would be prepared to stay if Inmos were to be absorbed by GEC.

Inmos' founders, Dr. Richard Petritz, formerly of the U.S. semi-conductor company Mostek, and Dr. Ian Barron of Britain, are both men with entrepreneurial flair who, it is thought, would like to have as free a hand as possible in running the organisation's affairs.

Dr. Barron said this week that he was not aware of any discussions between GEC and the Government about the ownership of Inmos.

It is unclear how GEC's talks fit in with its project to build Britain's first mass production semi-conductor plant in partnership with Fairchild of the U.S.

Since the venture was given the go-ahead, Fairchild has been taken over by Schlumberger, the French oil services company. Schlumberger has given no public indication of its view of the project, though GEC has insisted that the plant at Neston, Cheshire, was going ahead on schedule.

Fairchild is relatively weak in Metal Oxide Silicon technology, used in the type of semi-conductors enjoying the most rapid market growth. This weakness has led to speculation in the past that GEC might be interested in some future link with Inmos.

Weather

UK TODAY

MAINLY Sunny.

London, S. and Cent. N. England, Midlands, Channel Isles, S. Wales
Sunny periods, dry. Max. 11-13C (52-55F).

E. England, Borders, Edinburgh, Dundee
Sunny periods. Max. 10-11C (50-52F).

N. Wales, I. of Man, S.W. Scotland, Cent. Highlands
Dry, sunny periods. Max. 9-11C (48-52F).

Outlook: Mostly dry, sunny periods, warmer.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	17	63	Locarno	F	15	59
Algiers	S	23	73	London	F	11	52
Amsdm.	C	8	46	Luxmbg.	C	6	43
Bahrain	S	32	90	Luxor	S	29	81
Barclna.	F	20	68	Madrid	F	20	68
Belfast	F	10	50	Majorca	S	23	73
Belgrd.	F	19	66	Malaga	S	24	75
Berlin	R	6	43	Malta	S	21	70
Biarritz	C	13	55	M'chstr.	C	8	48
Bmghm.	F	10	50	Melbne.	C	24	75
Blackpl.	S	9	48	Milan	S	18	64
Bordx.	C	13	55	Mntreal.	C	8	48
Boulgn.	C	9	48	Moscow	C	2	36
Bristol	F	11	52	Munich	C	9	48
Brussels	R	8	46	Nairobi	R	24	75
Budpst.	R	13	55	Naples	C	16	61
B. Aires	R	22	72	Nwcstl.	F	8	46
Cairo	S	25	77	N. York	C	8	43
Cardiff	F	10	50	Nice	S	16	61
Cas'b'ca	S	26	79	Nicosia	C	19	66
Cape T.	S	24	75	Oporto	C	16	61
Chicago	S	8	46	Oslo	C	3	37
Cologne	C	8	46	Paris	C	11	52
Cpnhgn.	C	3	37	Perth	C	22	72
Corfu	S	19	66	Prague	F	10	50
Dublin	F	10	50	Reykjvk.	S	0	32
Dbrvnk.	S	16	61	Rhodes	C	15	59
Ednbgh.	F	8	46	Rio J'o	C	30	86
Faro	F	26	79	Rome	F	18	64
Frankft.	C	9	46	Salzbrg	R	8	45
Funchal	C	17	63	Singapr.	C	31	89
Geneva	F	10	50	Stckhm	C	3	37
Gibrltr.	S	29	84	Strasbg	C	12	54
Glasgow	F	7	45	Sydney	S	21	70
G'rnsey	S	10	50	Tangier	S	23	73
Helsinki	F	5	41	Tel Aviv	C	19	66
H. Kong	C	19	66	Tenerife	S	32	90
Innsbrk.	C	12	54	Tokyo	S	14	57
Invrnss.	F	8	46	Toronto	C	8	43
I.o Man	F	10	50	Tunis	S	25	77
Istanbul	C	8	46	Valencia	F	23	73
Jersey	S	10	50	Venice	C	13	55
Jo'burg	S	21	70	Vienna	C	12	54
L. Plms.	S	32	90	Warsaw	R	10	50
Lisbon	F	20	68	Zurich	F	11	52

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

GKN's overseas momentum

The GKN figures show that British industry is still alive and kicking—but it is kicking more effectvely abroad than at home. Overall, GKN pleased the stock market yesterday with against the £87.3m of 1978 and the £95m or so which had been widely expected. But this result is still nothing like as good as the group was hoping for before it ran into the engineering dispute last sumer, which lopped an estimated £15m off profits. So while continental Europe continued to forge ahead in 1979, with a trading surplus nearly a third higher, the UK could manage only a modest gain in the second half when the overseas operations were contributing 49 per cent of the total. Moreover, the UK has just endured the three-month steel strike, and domestic profits have been "severely affected" although no figures are forthcoming.

Internationally, GKN's progress strongly reflects its dominant position in constant velocity joints. While demand for big cars is weakening in many markets, output of smaller front wheel drive models is still going up fast, and this is especially true of the U.S. where GKN's North Carolina plant, manufacturing for Ford, comes on stream this summer; moreover there should soon be some juicy royalties from General Motors. High U.S. interest rates are a problem for the near term, but the programme is on schedule and the medium term picture (with the second U.S. plant due on stream in 1981) looks bright.

After the sale of the stake in John Lysaght (Australia) the balance sheet is sound, and able to cope with the big U.S. spending plans. But there is a question mark over UK profits, with the general level of activity said to be slackening while the Cardiff general steel business (only just making a trading surplus on over £200m of turnover in 1979) was a problem even before the recent one-month shutdown. Clearly recent events have dented hopes of reasonable profits progress this year, but a yield of 10.9 per cent at 267p will cushion the wait for the U.S. payoff.

Index fell 0.3 to 432.1

Banking list

The publication yesterday of the Bank of England's initial list of banks under the 1979 Banking Act suggests that the finance houses applying for full banking status may be disappointed. But Bowmaker, which takes the second grade as a licensed deposit-taking institution, never, in fact, applied for ranking as a recognised bank. The Bank has not yet pronounced on UDT, although the latter applied for recognised status in mid-January.

If the finance houses fail to get invited to the top table, the main penalty will be to put up the rates at which they can obtain finance. Indeed, the reason that Finance for Industry has applied for formal recognition is believed to be to protect itself in the interbank market.

Houses like Lombard North Central, with large foreign deposits, could also suffer from some reduction in confidence abroad, although this would be irrational in LNC's case since it is a subsidiary of National Westminster. For UDT, the Bank's decision will be less critical than it once appeared. Now that the banking "corset" is being abolished, it is no longer of much consequence whether lifeboat support is channelled through the interbank market (and can thus be offset for corset purposes) or not.

BICC

BICC's profits are up from £56.6m to £65.6m pre-tax, and although the figures look much less impressive on a current cost basis (down from £21.1m to £19.2m pre-tax) there are signs of progress in important areas of the business. In particular, the historic cost profits from the overseas side have jumped by a quarter to £37.2m and BICC Cables is up by two-fifths at £10m.

Half the overseas profits come from Australia, which continues to do well on the back of heavy spending by the resource-based industries. In North America, recovery from strikes together with stock profits have more than compensated for the sale of the group's shareholding in General Cables.

Even more encouraging is the performance at BICC Cables, which seems to be getting the benefit from a drive to cut out excess capacity, reduce fixed overheads and improve prices. Volume was unchanged last year, although the workforce was down by 5½ per cent. Export volume fell by about 15 per cent, partly as a result of a tougher approach to pricing, but the order intake is now looking better. The UK cables business is still making an unsatisfactory return on capital employed, yet the underlying improvement here will help the group to ride through any downturn in demand later this year.

The one disappointment comes on the industrial products side, which includes the acquisitions that were supposed to shift BICC away from its dependence on stodgy old cables. External strikes played a big part in cutting its profits in half to £3.7m, but one of the recent buys (Cohen Bros.) has been looking distinctly wobbly. With the cables business recovering and Balfour Beatty doing well, the urge to diversify seems to be getting weaker.

Current cost earnings can provide little cover for the dividend. But the balance sheet is sound, and BICC is hoping to make some profits progress this year. So the shares seem well based at 115p, where the yield is over 11 per cent.

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